International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Special Purpose Standalone Balance Sheet as at 31 December 2024

(Amounts in Rs. million, unless otherwise stated)

Particulars	Note	As at 31 December 2024	As at 31 December 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	13.86	20.33
(b) Income tax assets (net)	8	1.14	2.58
Total non-current assets		**15.00**	**22.91**
Current assets			
(a) Financial assets			
(i) Trade receivables	9	5.43	4.06
(ii) Cash and cash equivalents	10	7.64	22.11
(iii) Other financial assets	6	0.28	0.46
(b) Other current assets	7	4.25	4.13
Total current assets		**17.60**	**30.76**
TOTAL ASSETS		**32.60**	**53.67**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	23.66	23.66
(b) Other equity	12	(83.25)	(54.98)
Total equity		**(59.59)**	**(31.32)**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	-	77.11
Total non-current liabilities		**-**	**77.11**
Current liabilities			
(a) Financial liabilities			
(a) Borrowings	13	82.42	-
(i) Trade payables	16	6.06	4.49
(ii) Other financial liabilities	14	1.35	1.25
(b) Other current liabilities	15	2.36	2.14
Total current liabilities		**92.19**	**7.88**
Total liabilities		**92.19**	**84.99**
TOTAL EQUITY AND LIABILITIES		**32.60**	**53.67**

See accompanying notes to the Special purpose Standalone financial statements 1 - 29

For and on behalf of the Board of Directors
International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Tehmasp Printer
Director

Date: 27 February 2025

Eashwar Iyer
Chief Financial Officer

Date: 27 February 2025

International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Special Purpose Standalone Statement of profit or loss for the year ended 31 December 2024

(Amounts in Rs. million, unless otherwise stated)

Particulars	Note	For the year ended 31 December 2024	For the year ended 31 December 2023
Income			
Revenue from operations	17	18.08	23.27
Other income	18	0.60	0.20
Total income		**18.68**	**23.47**
Expenses			
Employee benefit expense	19	14.62	13.29
Finance costs	20	6.64	8.48
Depreciation and amortization expense	21	5.05	3.60
Other expenses	22	26.61	48.64
Total expenses		**52.92**	**74.01**
Profit before tax		**(34.24)**	**(50.54)**
Tax expense:			
- Current tax		-	-
Total tax expense		**-**	**-**
Profit for the year		**(34.24)**	**(50.54)**
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Foreign currency translation difference of foreign operations		5.97	19.23
		5.97	**19.23**
Other comprehensive income/(loss) for the year, net of tax		**5.97**	**19.23**
Total comprehensive income for the year		**(28.27)**	**(31.31)**
Earnings per share (in TRY) of face value of TRY 1 each (previous year : face value of TRY 1 each)			
Basic (in Rs)/share	23	**(4.28)**	**(6.32)**
See accompanying notes to the Special purpose Standalone financial statements	1 - 29		

For and on behalf of the Board of Directors
International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Tehmasp Printer
Director

Date: 27 February 2025

Eashwar Iyer
Chief Financial Officer

Date: 27 February 2025

International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Special Purpose Standalone Statement of changes in equity for the year ended 31 December 2024

(Amounts in Rs. million, unless otherwise stated)

A) Equity share capital

Particulars	Number of shares	Amount
For the year ended 31 December 2023		
Balance as at 1 January 2023	100,000	0.30
Changes in equity share capital during the year	7,900,000	23.36
Balance as at 31 December 2023	**8,000,000**	**23.66**
Balance as at 1 January 2024	8,000,000	23.66
Changes in equity share capital during the year	-	-
Balance as at 31 December 2024	**8,000,000**	**23.66**

B) Other equity

Particulars	Reserves and Surplus	Other Comprehensive Income	Total
	Retained Earnings	Foreign currency translation reserve	
Balance as at 1 January 2023	(25.91)	2.24	**(23.67)**
Profit for the year	(50.54)	-	**(50.54)**
Foreign currency translation difference during the year	-	19.23	**19.23**
Balance as at 31 December 2023	**(76.45)**	**21.47**	**(54.98)**

Particulars	Reserve and Surplus	Other Comprehensive Income	Total
	Retained Earnings	Foreign currency translation reserve	
Balance as at 1 January 2024	(76.45)	21.47	**(54.98)**
Profit for the year	(34.24)	-	**(34.24)**
Foreign currency translation difference during the year	-	5.97	**5.97**
Balance as at 31 December 2024	**(110.69)**	**27.44**	**(83.25)**

See accompanying notes to the Special purpose Standalone financial statements

For and on behalf of the Board of Directors
International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Tehmasp Printer
Director

Date: 27 February 2025

Eashwar Iyer
Chief Financial Officer

Date: 27 February 2025

International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Special Purpose Standalone Statement of Cash Flow for the year ended 31 December 2024

(Amounts in Rs. million, unless otherwise stated)

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Cash flow from operating activities		
Profit before tax	**(34.24)**	**(50.54)**
Adjustments for:		
Depreciation on property, plant and equipment	5.05	3.60
Interest expense	6.64	8.47
Operating profit before changes in working capital	**(22.55)**	**(38.47)**
Changes in working capital :		
Increase in other financial liabilities	0.10	0.84
Increase in trade payables	1.57	1.01
(Decrease)/Increase in other current liabilties	0.22	1.87
Increase in other financial assets	0.18	0.64
Decrease/(Increase) in other current assets	(0.12)	18.05
Increase in trade receivables	(1.37)	(2.87)
Cash generated from operating activities before taxes	**(21.97)**	**(18.93)**
Income tax paid (net)	1.44	2.91
Net cash (used in) operating activities (A)	**(20.53)**	**(16.02)**
Cash flows from investing activities		
Payment for purchase of property, plant and equipment	1.42	(7.80)
Net cash generated from/ (used in) investing activities (B)	**1.42**	**(7.80)**
Cash flows from financing activities		
Repayment of borrowings	5.31	3.66
Proceeds from fresh issue of equity shares	-	23.16
Interest paid	(6.64)	(8.47)
Net cash generated from financing activities (C)	**(1.33)**	**18.35**
Net (decrease) in cash and cash equivalents (A+B+C)	(20.44)	(5.47)
Foreign currency translation difference of foreign operations	5.97	18.57
Cash and cash equivalents at the beginning of the year (Note 10)	22.11	9.01
Cash and cash equivalents at the end of the year (Note 10)	**7.64**	**22.11**

The Statement of Cash flow has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash flows'.

See accompanying notes to the Special purpose Standalone financial statements

For and on behalf of the Board of Directors
International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Tehmasp Printer
Director

Date: 27 February 2025

Eashwar Iyer
Chief Financial Officer

Date: 27 February 2025

International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Special Purpose Standalone Notes to the financial statements for the year ended 31 December 2024

1 Corporate Information

International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company (the "Company") is a Company registered in Turkey with its registered office at Molla Fenari Neighborhood, Şerefefendi Street, Altın Center Block No: 24, Inner Door No: 406, Fatih / Istanbul, Turkey.

The Company is primarily engaged in the business of Certification of diamonds, gemstones & jewellery with comprehensive analysis & clear documentation for consumers. Also the Company is having school of Gemmology at various locations and offers a variety of courses designed for professionals and consumer enthusiasts.

The Special Purpose Standalone Financial Statements of the Company for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board of Directors on 27 February 2025.

2 Material accounting policies

2.1 Basis of preparation

The Special Purpose Standalone Financial Statements have been prepared on a going concern basis under the historical cost convention except for certain financial instruments that are measured at fair value as explained in the accounting policies below.

These Special Purpose Standalone Financial Statements (Financial Statements') of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (‘the Act’) read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This Special Purpose Standalone Financial Statements have been prepared by the management of the Company for the purposes of providing financial information to Board of Directors of International Gemmological Institute (India) Limited (the “Holding Company”) to assist it to prepare the consolidated financial statements of the Holding Company.

All amounts included in the Special Purpose Standalone Financial Statements are reported in Indian Rupees in million (INR million) except share and per share data, unless otherwise stated. Amount presented as "0" are non-zero numbers rounded off in INR million. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

3 Significant accounting judgements, estimates and assumptions

The preparation of Special Purpose Standalone Financial Statements in conformity with Ind AS requires management, where necessary, to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The key assumptions concerning future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3.1 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits, together with future tax planning strategies.

3.2 *Provision for expected credit losses of trade receivables and contract assets*

The Company uses past data and experience based on historical default rates to measure the ECL on trade receivables. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies. Adjustment for forward looking factors are not considered significant, hence no adjustment for forward looking factors is made.

3.3 *Fair value measurement of financial instruments*

When the fair value of financial assets and financial liabilities recorded, cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4 Summary of Material accounting policies

4.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period
Or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in the normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period
Or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The Company classifies all other liabilities as non-current.

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

4.2 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

The useful life is taken by management based on industry trends, nature of asset and past experience.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

De-recognition: An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

4.3 Foreign Currency Transactions

(a) **Functional and presentation currency**

The functional currency of IGI Turkey is Turkish lira. Items included in the Special Purpose Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR).

(b) **Transactions and balances**

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/(losses) arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

4.4 Leases

The Company's lease asset classes primarily consist of leases of premises. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets for all leases, except for short-term leases and leases of low-value assets.

i) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Lease payments and receipts under operating leases are recognized as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

4.5 Security Deposits

Security deposits are initially recognised at fair value and subsequently measured at amortised cost. Any difference between the initial fair value and the nominal amount is included as a component of operating lease income and recognised on a straight-line basis over the lease term.

4.6 Revenue

a) **Revenue from grading and certification services**
The Company recognizes revenue from grading and certification of diamonds, coloured stones and jewellery which is measured at a point in time upon satisfaction of the performance obligation, when the report/certificate in relation to completion of such activities is generated and is ready to be issued to the customer. There are no significant activities undertaken between the time that the report is generated and the time that the customer obtains the report. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts or rebates, if any, as specified in the contract with the customer. Revenue is recognized exclusive of taxes.

b) **Revenue from educational courses**
Revenue from providing gemological education on sorting and grading of gems, diamond and jewellery is recognised over a period of time as and when the educational course is completed.

4.7 Other Income

Interest income
Interest income is accounted for on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

4.8 Contract Balances

Contract assets and contract liabilities
A contract asset is the right to consideration in exchange for goods or services transferred to the customer when that right is conditioned on something other than the passage of time, for example, billings require certification by the customer. Upon receipt of such certification from a customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment on the same basis as financial assets that are within the scope of Ind AS 109.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Holding company performs under the contract (i.e. transfers control of the related goods or services to the customer).

4.9 Fair Value Measurement
The Company measures financial instruments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability
Or
• In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible at the measurement date.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using asset in its highest and best use or by selling it to another market participant that would use asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, for which fair value is measured or disclosed in the Special Purpose Interim Standalone Financial Statements financial statements, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Special Purpose Interim Standalone Financial Statements financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

4.10 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

4.11 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) *Financial Assets*

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Company's rent and other trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient, they are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Subsequent measurement

Financial assets measured at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, loans to related parties, security deposit and financial assets included in other receivables.

Financial assets designated at fair value through OCI (equity investments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled in profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the financial statement at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investments which the Company had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

• The rights to receive cash flows from the asset have expired
Or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward looking information.

Simplified approach

For trade receivables and contract assets, that do not contain a significant financing component, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ii) ***Financial Liabilities***

The Company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, using the effective interest method unless the Company opted to measure a liability at FVTPL. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Financial liabilities included in trade and other payables, borrowings and other financial liabilities. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

iii) **Classification as debt or equity**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

iv) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.12 Employee benefits

(i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(ii) Long-term employment benefits

(a) Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognized as a liability at the present value of the other long-term employment benefits which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in the Statement of profit and loss.

4.13 Taxes

Income tax expenses comprises of current tax expenses and deferred tax charge / credit.

(a) ***Current income tax***

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

Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

(ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Company has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4.14 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprises cash at bank and on hand subject to an insignificant risk of changes in value.

4.15 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 Liability: A contingent liability is

(a) a possible obligation arising 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 entity or

(b) a present obligation that arises from past events but is not recognized because;
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

4.16 Segment reporting

The operating segments have been identified based on the conditions specified in paragraph 5 to Ind AS 108, i.e. an operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available that is evaluated regularly by the CODM, in deciding how to allocate resources and assessing performance.

4.17 Financial Reporting in Hyperinflationary Economies

Ind AS 29 requires the financial statements of an entity with a functional currency that is hyperinflationary to be restated to reflect changes in the general purchasing power, that is, the financial statements that were at historical values are restated to current values, by applying the corresponding general price index.

The application of Ind AS 29 includes:
(i) restatement of non-monetary assets and liabilities measured at historical cost in the balance sheet and all items of income and expenses in the statement of profit and loss, using the general price index at the balance sheet date, and
(ii) recording gain or loss on net monetary position.

Since 30 June 2022, the Turkish economy has been considered hyperinflationary according to the definition and criteria set out in "Ind AS 29 - Financial Reporting in Hyperinflationary Economies" as inflation in Turkey has risen exponentially, with a cumulative inflation rate over three years exceeding 100%. As a result, application of Ind AS 29 'Financial Reporting in Hyperinflationary Economies' is applicable in Turkey whose functional currency is Turkish lira.

The Impact of redetermination of financial statement values of the Company after giving effect for inflation adjustment as per Ind AS 29 is considered to be negligible, thus no adjustment has been made in these Financial Statement.

4.18 Recent accounting pronouncements

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

1. Ind AS 117 Insurance Contracts - Ind AS 117 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement as well as presentation and disclosure requirements for insurance arrangements. Ind AS 117 replaces Ind AS 104 Insurance Contracts. Ind AS 117 applies to all types of insurance contracts and reinsurance contracts regardless of the type of entities that issues them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. Ind AS 117 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The application of Ind AS 117 would not have any material impact on the Company's Standalone financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under Ind AS 117.

2. Amendment to Ind AS 116 Leases – Lease Liability in a Sale and Leaseback - The amendment specifies the requirements that a seller-lesse uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after 1 April 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116. The amendment does not have a material impact on the Company's Standalone financial statements.

(Amounts in Rs. million, unless otherwise stated)

5 Property, plant and equipment

Particulars	Furniture and Fixtures	Plant and Machinery	Computers	Total
Gross carrying amount				
Balance as at 1 January 2023	1.17	18.36	0.54	20.07
Additions	11.46	8.67	0.61	20.74
Deductions/ adjustments	-	(7.80)	-	(7.80)
Translation exchange difference	(0.43)	(6.76)	(0.20)	(7.39)
Balance as at 31 December 2023	**12.20**	**12.47**	**0.95**	**25.62**
Accumulated Depreciation				
Balance as at 1 January 2023	0.23	3.59	0.10	3.92
Depreciation charge during the year	0.32	3.14	0.13	3.59
Disposals	-	(0.78)	-	(0.78)
Translation exchange difference	(0.08)	(1.32)	(0.04)	(1.44)
Balance as at 31 December 2023	**0.47**	**4.63**	**0.19**	**5.29**
Net carrying amount as at 31 December 2023	**11.73**	**7.84**	**0.76**	**20.33**
Balance as at 1 January 2024	12.20	12.47	0.95	25.62
Additions	0.55	0.87	-	1.42
Deductions/ adjustments	-	-	-	-
Translation exchange difference	(1.95)	(0.84)	(0.13)	(2.92)
Balance as at 31 December 2024	**10.80**	**12.50**	**0.82**	**24.12**
Accumulated Depreciation				
Balance as at 1 January 2024	0.47	4.63	0.19	5.29
Depreciation charge during the year	2.05	2.79	0.21	5.05
Disposals	-	-	-	-
Translation exchange difference	(0.09)	0.05	(0.04)	(0.08)
Balance as at 31 December 2024	**2.43**	**7.47**	**0.36**	**10.26**
Net carrying amount as at 31 December 2024	**8.37**	**5.03**	**0.46**	**13.86**

Note 1: No revaluation of property, plant and equipment were carried out during the year.

(Amounts in Rs. million, unless otherwise stated)

6 Other financial assets

	Non current		Current	
Particulars	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**
Security deposits	-	-	0.28	0.36
Other receivables	-	-	-	0.10
	-	**-**	**0.28**	**0.46**

7 Other assets

	Non current		Current	
Particulars	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**
Advances to suppliers	-	-	-	0.48
Balance With Government authorities	-	-	0.25	0.00
Prepaid expenses	-	-	4.00	3.65
	-	**-**	**4.25**	**4.13**

8 Income tax assets (net)

	Non current		Current	
Particulars	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**
Tax receivables (net)	1.14	2.58	-	-
	1.14	**2.58**	**-**	**-**

(Amounts in Rs. million, unless otherwise stated)

9 Trade receivables

Particulars	As at 31 December 2024	As at 31 December 2023
Trade receivables*		
Unsecured, Considered Good	5.43	4.06
	5.43	**4.06**

*Refer note 34

10 Cash and cash equivalents

Particulars	As at 31 December 2024	As at 31 December 2023
Cash on hand	0.25	0.62
Balances with banks:		
In Current accounts	7.39	21.49
	7.64	**22.11**

(Amounts in Rs. million, unless otherwise stated)

11 Equity share capital

Particulars	As at 31 December 2024	As at 31 December 2023
Authorized:		
8,000,000 (31 December 2023 - 8,000,000) equity shares of TRY 1 each	23.66	23.66
	23.66	**23.66**
Issued, subscribed and paid-up capital:		
8,000,000 (31 December 2023 - 8,000,000) equity shares of TRY 1 each fully paid up	23.66	23.66
	23.66	**23.66**

12 Other equity

Particulars	As at 31 December 2024	As at 31 December 2023
Retained earnings	(110.69)	(76.45)
Foreign currency translation reserve	27.44	21.47
	(83.25)	**(54.98)**

(a) Retained earnings

	As at 31 December 2024	As at 31 December 2023
Opening balance	(76.45)	(25.91)
Net profit for the year	(34.24)	(50.54)
Closing balance	**(110.69)**	**(76.45)**

(b) Foreign currency translation reserve

	As at 31 December 2024	As at 31 December 2023
Opening balance	21.47	2.24
Addition/(Deletion)	5.97	19.23
Closing balance	**27.44**	**21.47**

Nature & Purpose of Reserves

Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserves, dividends or other distributions paid to shareholders.

Foreign currency translation reserve: Gains/losses arising on translation of foreign operations are recognised in FCTR.

(Amounts in Rs. million, unless otherwise stated)

13 Borrowings

	Non Current		Current	
Particulars	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**
Unsecured:				
Loans from related parties*	-	77.11	82.42	
	-	**77.11**	**82.42**	**-**

Notes:

The Loan should be repayable equally in two installments on 11 June 2025 and 16 August 2025.

*Refer note 34

14 Other financial liabilities

	Non Current		Current	
Particulars	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**
Employee related payables	-	-	1.35	1.13
Other payables	-	-	-	0.12
	-	**-**	**1.35**	**1.25**

15 Other current liabilities

	Non Current		Current	
Particulars	**As at 31 December 2024**	**As at 31 December 2023**	**As at 31 December 2024**	**As at 31 December 2023**
Advance from customers	-	-	1.21	1.26
Statutory dues payable	-	-	1.15	0.88
	-	**-**	**2.36**	**2.14**

16 Trade payables

Particulars	**As at 31 December 2024**	**As at 31 December 2023**
Trade payables	6.06	4.49
	6.06	**4.49**

(Amounts in Rs. million, unless otherwise stated)

17 Revenue from operations

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue from contract with customers (refer note 27)		
Sale of services		
Certification services	17.88	23.26
Educational courses	0.20	0.01
Total Revenue from operations	**18.08**	**23.27**

18 Other income

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Miscellaneous income	0.60	0.20
Total Other income	**0.60**	**0.20**

19 Employee benefit expense

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Salaries and wages	12.51	11.85
Contribution to provident and other funds	2.11	1.44
Total Employee benefit expenses	**14.62**	**13.29**

20 Finance costs

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Interest expenses on financial liabilities measured at amortized cost:		
Interest expense and other finance charges	6.64	8.48
Total Finance costs	**6.64**	**8.48**

21 Depreciation and amortization expense

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Depreciation on property, plant and equipment	5.05	3.60
Total Depreciation and amortization expense	**5.05**	**3.60**

22 Other expenses

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Legal And professional fees	0.91	1.11
Stationery and consumables	3.91	2.76
Advertising and exhibition expenses	1.49	0.91
Rent expense	9.17	6.21
Travelling and conveyance	0.21	1.36
Office and administrative expenses	-	0.53
Computer expenses	0.64	0.40
Study material expenses	0.09	0.50
Communication fees	0.16	0.22
Freight And forwarding	0.00	0.06
Insurance	0.05	-
Rates and taxes	0.33	1.12
Bank charges	0.05	0.27
Foreign exchange losses	8.04	32.51
Miscellaneous expenses	1.37	0.46
Utilities (electricity, water, gas etc.)	0.19	0.22
Total Other expenses	**26.61**	**48.64**

(Amounts in Rs. million, unless otherwise stated)

23 Earnings per share

Basic EPS amount is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table set forth the computation of basic earnings per share:

Particulars	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
Profit for the year attributable to equity shareholders	(34.24)	(50.54)
Weighted average number of shares	8,000,000	8,000,000
Earnings per equity share [Face value of TRY 1 each]	**(4.28)**	**(6.32)**

Reconciliation of shares used in computing earnings per share

Particulars	**For the year ended 31 December 2024**	**For the year ended 31 December 2023**
No. of equity shares at the beginning of the year	8,000,000	8,000,000
Add: Issue of shares	-	-
No. of equity shares at the end of the year	**8,000,000**	**8,000,000**
Weighted average number of equity shares of TRY 1 each used for calculation of basic and diluted earnings per share	**8,000,000**	**8,000,000**

(Amounts in Rs. million, unless otherwise stated)

24 Related Parties Disclosures

A) Name of related parties & relationship

Relationship	Name of party
Holding Company	International Gemmological Institute (India) Limited
Fellow Subsidiary	International Gemmological Institute BV
Fellow Subsidiary	IGI Netherlands B.V.
Entity under common control	International Gemmological Institute DMCC
Entity under common control	International Gemological Institute (HK) Limited
Entity under common control	International Gemmological Identification (Thailand) Limited
Entity under common control	International Gemmological Institute Inc.
Entity under common control	IGI (Shanghai) Business Consulting Co., Ltd.
Key Management Personnel (CFO) (From 26th October 2023)	Eashwar Iyer
Key Management Personnel	Tehmasp Nariman Printer

B) Related party transactions during the year

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Purchase of stationery		
International Gemological Institute (India) Limited	0.58	2.25
International Gemmological Institute DMCC	0.14	-
Purchase of diamond sets		
International Gemological Institute (India) Limited	0.42	0.14
Purchase of machine		
International Gemological Institute (India) Limited	0.78	0.00
Interest Expense		
International Gemological Institute (India) Limited	7.41	7.13

C) Outstanding balances as at year end

Particulars	As at 31 December 2024	As at 31 December 2023
Loans including interest payable to related parties		
International Gemological Institute (India) Limited	82.42	77.11
Trade payables		
International Gemmological Institute (India) Limited	-	5.09
International Gemmological Institute DMCC	0.14	
Other payables		
International Gemmological Institute (India) Limited	4.38	-

(Amounts in Rs. million, unless otherwise stated)

25 Financial instruments risk management objectives and policies

The Company is exposed primarily to market risk, credit risk and liquidity risk. The management of the Company oversees the management of these risks. The management advises on financial risks and the appropriate financial risk governance framework for the Company and also provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

(a) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

i) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its bank borrowings obtained with floating interest rates.

The Company is not exposed to the interest rate risk as there are no variable interest bearing borrowings/ investments.

ii) foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the financial instruments dominated in foreign currency is very minimal, hence no major foreign currency risk exists.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's trade receivables, security deposits, bank balances and other financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The gross carrying amounts of following financial assets represent the maximum credit risk exposure:

	As at 31 December 2024	As at 31 December 2023
Cash and cash equivalents	7.64	22.11
Security deposits	0.28	0.36
Other financial assets	-	0.10
	7.92	**22.57**

Balances with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

Based on assessment carried by the Company, entire receivable under this category is classified as "Stage 1". There is no history of loss and credit risk and the amount of provision for expected credit losses on other financial assets is negligible.

Trade receivables:

The Company applies the Ind AS 109 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance (ECL) for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

To measure the expected credit losses, trade receivables have been Companyed based on shared credit risk characteristics and the days past due. The Company's trade receivable are generally having credit period from 30 to 60 days and historically, majority of trade receivables are recovered subsequently.

The Company uses past data and experience based on Company's historical default rates to measure the ECL on trade receivables. Based on evaluation carried out and to the best estimate of management, historical loss sufficiently covers expected loss as well as future contingencies. Adjustment for forward looking factors are not considered significant, hence no adjustment for forward looking factors is made.

Computation of Allowance for impairment losses:

Specific provision: Entire trade receivables outstanding as at reporting period are assessed for specific provisioning. Items considered when determining allowance amounts include sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, availability of other financial support and realizable value of collateral and timing of expected cash flows. The impairment losses are evaluated at the end of each reporting period, unless unforeseen circumstances require more careful attention. Specific provision may be required due to various reasons such as credit deterioration, etc. Trade receivable under specific provision case, are assessed individually. The impairment allowances is recognized to the extent of trade receivables not covered by fair value of collaterals.

Collective Provisions: ECL is computed based on the trade receivable as at reporting period minus specific provision by applying the bucket wise lifetime loss rate (PDs) determined for each reporting period.

(c) Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Within 1 year	1 to 3 years	More than 3 years	Total
As at 31 December 2024				
Trade payables	6.06	-	-	6.06
Borrowings	82.42	-	-	82.42
Other financial liabilities	1.35	-	-	1.35
	89.83	**-**	**-**	**89.83**
As at 31 December 2023				
Trade payables	4.49	-	-	4.49
Borrowings	-	77.11	-	77.11
Other financial liabilities	1.25	-	-	1.25
	5.75	**77.11**	**-**	**82.85**

(Amounts in Rs. million, unless otherwise stated)

(iv) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

All below mentioned Financial assets and Financial liabilities are measured using valuation techniques in accordance with Level 3.
The fair value of cash and cash equivalents, trade receivables, trade payables, borrowings (current), other financial liabilities and other financial assets approximate their carrying amount largely due to short term nature of these instruments.
The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits and Borrowings (Non-current) are not significantly different from the carrying amount.

(v) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at 31 December 2024 are as follows:

	FVTPL	Amortized cost	FVTOCI	Total
Financial assets				
Current				
Trade receivables	-	5.43	-	5.43
Cash and cash equivalents	-	7.64	-	7.64
Other financial assets	-	0.28	-	0.28
	-	**13.35**	**-**	**13.35**
Financial Liabilities				
Current				
Borrowings	-	82.42	-	82.42
Lease liabilities	-	-	-	-
Trade payables	-	6.06	-	6.06
Other financial liabilities	-	1.35	-	1.35
	-	**89.83**	**-**	**89.83**

The carrying amounts of each of the categories of financial instruments as at 31 December 2023 are as follows:

	FVTPL	Amortized cost	FVTOCI	Total
Financial assets				
Current				
Trade receivables	-	4.06	-	4.06
Cash and cash equivalents	-	22.11	-	22.11
Other financial assets	-	0.46	-	0.46
	-	**26.63**	**-**	**26.63**
Financial Liabilities				
Non Current				
Borrowings	-	77.11	-	77.11
Current				
Trade payables	-	4.49	-	4.49
Other financial liabilities	-	1.25	-	1.25
	-	**82.85**	**-**	**82.85**

26 Capital management

The Company's objectives when managing capital are to:
• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
• Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity'. No changes were made in the objectives, policies or processes for managing capital during the reporting years. There are no Debts taken by the Company. Therefore, Capital structure comprised of only equity as there are no external debts availed by Company.

Particulars	As at 31 December 2024	As at 31 December 2023
Interest bearing loans and borrowings	82.42	77.11
Less: Cash and Bank balances	(7.64)	(22.11)
Adjusted net debt	**74.78**	**55.00**
Total equity	**(59.59)**	**(31.32)**
Gearing ratio [Net debt/(total equity)]	**(1.25)**	**(1.76)**

(Amounts in Rs. million, unless otherwise stated)

27 Revenue from customers

(a) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue from contract with customers:		
Sale of services		
Certification services	17.88	23.26
Educational courses	0.20	0.01
Gross revenue from contract with customers	18.08	23.27
Less: Consideration payable to customers	-	-
Net revenue from contract with customers	**18.08**	**23.27**
Geographical markets		
Turkey	18.08	23.27
Outside Turkey	-	-
Net revenue from contract with customers	**18.08**	**23.27**
Timing of revenue recognition		
Goods or services transferred at a point in time	17.88	23.26
Goods or Services transferred over time	0.20	0.01
Net revenue from contract with customers	**18.08**	**23.27**

(b) Reconciling the amount of revenue recognised in the Statement of profit and loss with the contracted price:

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Revenue as per contracted price	18.08	23.27
Less: Rebate, discount and other adjustments	-	-
Revenue from contract with customers	**18.08**	**23.27**

(c) Contract balances

The following table provides information about receivables, unbilled revenue and deferred revenue from contracts with customers:

	As at 31 December 2024	As at 31 December 2023
Trade Receivables	5.43	4.06
Advance from customers	1.21	1.26

For details on Performance obligations (Refer accounting policy note 4.1)

28 Segment reporting

The Company's business activity primarily falls within a single business segment based on the nature of activity involved, which is in line with the business risks attached with the segment having regard to the internal organization and management structure. The CODM reviews the Company's performance as a single business segment and not at any other disaggregated level. Hence, no separate financial disclosures provided in respect of its single business segment.

(a) Break up of revenue based on geographical segment

Particulars	For the year ended 31 December 2024	For the year ended 31 December 2023
Within Turkey	18.08	23.27
Outside Turkey	-	-
Total	**18.08**	**23.27**

(b) The carrying amount of Non current operating assets by location of assets

Particulars	As at 31 December 2024	As at 31 December 2023
Within Turkey	15.00	22.91
Outside Turkey	-	-
Total	**15.00**	**22.91**

29 Subsequent events

There are no subsequent events after the end of reporting period which have impact on the Special Purpose Standalone Financial Statements.

For and on behalf of the Board of Directors

International Gemmological Institute Turkey Precious Stone Certification Services Joint Stock Company

Tehmasp Printer	**Eashwar Iyer**
Director	Chief Financial Officer
Date: 27 February 2025	Date: 27 February 2025