TITAN GLOBAL RETAIL L.L.C

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2023

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MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The manager submits his report and financial statements for the year ended 31 March 2023. I approve the financial statements and confirm that I am responsible for these, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available all relevant accounting records and information for their compilation.

Results and dividends
The loss for the year amounted to AED 26,599,215. In view of the losses, the Manager does not recommend any dividends for the year ended 31 March 2023.

Review of the business
The Company's principal activity as per trade license is jewellery, watches, spectacles and precious stones trading.

Legal and regulatory requirements
The Company has complied with the applicable provisions of the UAE Federal Law No. (32) of 2021.

The losses of the Company exceeded 50% of its share capital. As required by Article 308 of the UAE Federal Law No. (32) of 2021, the Manager had called a General Meeting in which the shareholders had resolved that the Company shall continue its operations.

Events since the end of the year
There are no significant events since the end of the year.

Shareholders and their interests
The Shareholders at 31 March 2023 and their interests as at that date in the share capital of the Company were as follows:

Name	No. of shares	AED
Titan Holdings International FZCO	299	299,000
Kuruvilla Markose	1	1,000
	300	**300,000**

Independent auditor
PKF were appointed as independent auditor for the year ended 31 March 2023 and it is proposed that they be re-appointed for the year ending 31 March 2024.

KURUVILLA MARKOSE
(MANAGER)
21 April 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of TITAN GLOBAL RETAIL L.L.C

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **Titan Global Retail L.L.C** (the "Company"), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Material Uncertainty Related to Going Concern
We draw attention to note 2 (c) to the financial statements, which states that the Company incurred a loss of AED 26,599,215 for the year ended 31 March 2023 and at that date, the Company's losses aggregated to AED 41,026,885, its current liabilities exceeded its current assets by AED 22,750,311 and it had a net deficit of AED 40,726,885 in equity funds. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the ultimate parent company has agreed to continue with the operations of the Company and has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. Other information comprises the Manager's report as required by the UAE Federal Law No. (32) of 2021, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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Auditor Registration No. S.D. Pereira - 552 , V.M.Joshi - 1200

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for their compliance with the applicable provisions of the UAE Federal Law No (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, 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.

Continued...

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Law No. (32) of 2021, we report that:

i) we have obtained all the information we considered necessary for the purpose of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Manager's report is consistent with the books of account of the Company;

v) the Company has not purchased or invested in shares during the financial year ended;

vi) note 10 to the financial statements reflects material related party transactions and balances, and the terms under which they were conducted;

vii) the Company has not made any social contributions during the financial year ended 31 March 2023; and

Continued...

viii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 March 2023 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2023 and there are no penalties imposed on the Company. Further, as referred in note 2 (c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, as required by Article 308 of the UAE Federal Law No. (32) of 2021, the Manager of the Company called a General Meeting in which the shareholders resolved to continue with the operations of the Company.

For **PKF**

AUDITORS PKF U.A.E.

S.D. Pereira
Partner
Registration No. 552
Dubai, United Arab Emirates
27 April 2023

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED	2022 AED
ASSETS			
Non-current asset			
Property, plant and equipment	6	**16,897,203**	9,477,343
Current assets			
Inventories	7	**233,390,865**	57,083,433
Trade and other receivables	8	**2,924,549**	1,516,110
Other current assets	9	**5,715,804**	2,281,291
Other financial assets	11	**1,000,000**	--
Cash and cash equivalents	12	**2,077,938**	1,296,533
		245,109,156	62,177,367
Total Assets		**262,006,359**	71,654,710
EQUITY AND LIABILITIES			
Equity funds			
Share capital	13	**300,000**	300,000
Cash flow hedge reserves		**--**	(1,290,757)
Accumulated losses		**(41,026,885)**	(14,427,670)
Deficit in equity funds		**(40,726,885)**	(15,418,427)
Non-current liabilities			
Long-term borrowing	14	**28,060,323**	28,060,323
Provision for staff end-of-service benefits	15	**238,231**	93,197
Lease liabilities	16	**6,575,223**	4,711,852
		34,873,777	32,865,372
Current liabilities			
Short-term borrowing	17	**121,681,838**	18,071,057
Trade and other payables	18	**130,747,378**	33,105,200
Other current liabilities	19	**1,567,476**	541,266
Other financial liabilities	20	**10,932,838**	1,325,242
Lease liabilities	16	**2,929,937**	1,165,000
		267,859,467	54,207,765
Total liabilities		**302,733,244**	87,073,137
Total liabilities less deficit in equity funds		**262,006,359**	71,654,710

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

Approved, authorised for issue and signed on 21 April 2023 by the manager, Mr. Kuruvilla Markose.

For **TITAN GLOBAL RETAIL L.L.C**

KURUVILLA MARKOSE
(MANAGER)

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TITAN GLOBAL RETAIL L.L.C

AUDITORS
PKF
U.A.E.

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 AED	2022 AED
Revenue	22	**157,788,918**	55,133,317
Purchase of inventory (including direct costs)		**(320,777,067)**	(78,089,386)
Changes in inventories		**188,888,438**	30,366,738
Gross profit		**25,900,289**	7,410,669
Other operating income	23	**38,303**	2,470
Staff costs	24	**(6,953,280)**	(3,079,778)
Depreciation of property, plant and equipment	6	**(3,215,897)**	(1,667,469)
Other operating expenses	25	**(35,375,950)**	(13,417,877)
Finance costs	26	**(6,992,680)**	(790,211)
LOSS FOR THE YEAR		**(26,599,215)**	(11,542,196)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		**--**	(1,658,245)
Other comprehensive income for the year		**--**	(1,658,245)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(26,599,215)**	(13,200,441)

The accompanying notes form an integral part of these financial statements
The report of the independent auditor is set forth on pages 2 to 5.

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

		Share capital	Cash flow hedge reserves	Accumulated losses	Total
		AED	AED	AED	AED
Balance at 1 April 2021		300,000	367,488	(2,885,474)	(2,217,986)
Comprehensive income					
- Loss	(a)	--	--	(11,542,196)	(11,542,196)
- Other comprehensive income	(b)	--	(1,658,245)	--	(1,658,245)
Total comprehensive income for the year	(a+b)	--	(1,658,245)	(11,542,196)	(13,200,441)
Balance at 31 March 2022		300,000	(1,290,757)	(14,427,670)	(15,418,427)
Comprehensive income					
- Loss	(c)	--		(26,599,215)	(26,599,215)
- Other comprehensive income	(d)	--	--	--	--
Total comprehensive income for the year	(c+d)	--	--	(26,599,215)	(26,599,215)
Transfer		--	1,290,757	--	1,290,757
Balance at 31 March 2023		**300,000**	**--**	**(41,026,885)**	**(40,726,885)**

The details of movements in cash flow hedge reserves is as follows:

	Cash flow hedge reserves AED
Items that may be reclassified to profit or loss	
Balance at 1 April 2021	367,488
Effective portion of loss on designated portion of hedging instruments in a cash flow hedge	(1,658,245)
Balance at 31 March 2022	(1,290,757)
Transferred to statement of profit or loss	1,290,757
Balance at 31 March 2023	--

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

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TITAN GLOBAL RETAIL L.L.C

AUDITORS
PKF
U.A.E.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2023 AED	2022 AED
Cash flows from operating activities		
Loss for the year	(26,599,215)	(11,542,196)
Adjustments for:		
Depreciation of property, plant and equipment	3,215,897	1,667,469
Finance costs	6,992,680	790,211
Provision for slow moving inventories	1,065,820	--
Provision for staff end-of-service benefits	145,034	69,835
	(15,179,784)	(9,014,681)
Changes in:		
- Inventories	(177,373,252)	(41,881,924)
- Trade and other receivables	(1,408,439)	824,836
- Other current assets	(3,434,513)	(2,113,947)
- Trade and other payables	94,438,030	27,476,260
- Other current liabilities	1,026,210	162,101
Cash used in operations	(101,931,748)	(24,547,355)
Interest paid	(3,432,566)	(640,645)
Net cash used in operating activities	(105,364,314)	(25,188,000)
Cash flows from investing activities		
Payments for property, plant and equipment	(5,560,789)	(794,980)
(Increase)/decrease in other financial assets	(1,000,000)	431,395
Net cash used in investing activities	(6,560,789)	(363,585)
Cash flows from financing activities		
Payment of lease liability (including interest)	(1,802,626)	(1,902,251)
Receipts of loan from a shareholder	--	12,150,000
Proceeds from bank overdraft (net)	103,610,781	16,400,301
Increase in other financial liability (net)	10,898,353	--
Net cash from financing activities	112,706,508	26,648,050
Net increase in cash and cash equivalents	781,405	1,096,465
Cash and cash equivalents at beginning of the year	1,296,533	200,068
Cash and cash equivalents at end of the year (note 12)	2,077,938	1,296,533

The accompanying notes form an integral part of these financial statements.
The report of the independent auditor is set forth on pages 2 to 5.

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1. **LEGAL STATUS AND BUSINESS ACTIVITY**

a) **Titan Global Retail L.L.C** (the "Company") is a limited liability company registered in Dubai, United Arab Emirates, in accordance with the provisions of UAE Federal Law No. (2) of 2015, as amended, (repealed by UAE Federal Law No. (32) of 2021). The registered office address is PO Box 371304, Dubai UAE. The Company was registered on 15 December 2019 and commenced operations on since then.

b) The financial statements include the assets and liabilities and the operating results of the Company under license number 868455 issued on 15 December 2019 and of the following branches:

	Branch Name	Date of incorporation	License/permit No.
1	Titan Global Retail L.L.C (branch)	9 July 2020	894626
2	Titan Global Retail L.L.C (branch)	31 December 2020	925775
3	Titan Global Retail L.L.C (branch)	8 August 2021	28394
4	Titan Global Retail L.L.C (branch)	8 September 2021	981016
5	Titan Global Retail L.L.C (branch)	4 October 2021	1101830
6	Titan Global Retail L.L.C (branch)	25 August 2021	1084270
8	Titan Global Retail L.L.C (branch)	25 August 2021	1084290
9	Titan Global Retail L.L.C (branch)	3 June 2021	108058
10	Titan Global Retail L.L.C (branch)	29 August 2021	1085950
11	Titan Global Retail L.L.C (branch)	17 January 2022	1021462
12	Titan Global Retail L.L.C (branch)	7 March 2022	1040376
13	Titan Global Retail L.L.C (branch)	26 January 2022	1026049
14	Titan Global Retail L.L.C (branch)	14 November 2022	1118083
15	Titan Global Retail L.L.C (-Branch of Abu Dhabi 1)	7 August 2021	CN-4100344
16	Titan Global Retail L.L.C (branch)	9 November 2022	22692
17	Titan Global Retail L.L.C (-Branch of Abu Dhabi 3)	28 June 2022	CN-4525663
18	Titan Global Retail L.L.C	1 November 2022	555092
19	Titan Global Retail L.L.C (-Branch of Abu Dhabi 2)	22 May 2022	CN-4469347
20	Titan Global Retail L.L.C	20 June 2022	1191631
21	Titan Global Retail L.L.C	1 August 2022	1198930
22	Titan Global Retail L.L.C	14 September 2022	1221830
23	Titan Global Retail L.L.C (-Branch of Abu Dhabi 4)	15 October 2022	CN-4648372
24	Titan Global Retail L.L.C	5 January 2023	1276650
25	Titan Global Retail L.L.C	1 February 2023	266800
26	Titan Global Retail L.L.C	1 November 2022	554727
27	Titan Global Retail L.L.C	30 June 2022	552441

c) The Company's principal activity as per trade license is jewellery, watches, spectacles and precious stones trading.

d) The parent company is Titan Holdings International FZCO and the ultimate parent company is Titan Company Limited, which is also the ultimate controlling party.

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e) UAE Federal Law No. (32) of 2021 was issued on 20 September 2021 and came into effect on 2 January 2022 to entirely replace the UAE Federal Law No. (2) of 2015. Accordingly, the Company has complied with the UAE Federal Law No. (32) of 2021.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2022, and the requirements of UAE Federal Law No. (32) of 2021.

b) Basis of measurement

The financial statements are prepared using historical cost, except certain derivative financial instruments carried at fair value.

Historical cost is based on the fair value of the consideration given to acquire the asset or cash or cash equivalents expected to be paid to satisfy the liability.

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.

c) Going concern

The financial statements are prepared on a going concern basis.

When preparing the financial statements, management makes an assessment of the Company's ability to continue as a going concern. Financial statements are prepared on a going concern basis unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company incurred a loss of AED 26,599,215 for the year ended 31 March 2023 and at that date, the Company's losses aggregated to AED 41,026,885 its current liabilities exceeded its current assets by AED 22,750,311 and it had a net deficit of AED 40,726,885 in equity funds. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the ultimate parent company has agreed to provide continuing financial support to enable the Company to discharge its liabilities as and when they fall due. Accordingly, these financial statements have been prepared on a going concern basis.

Further, since the losses of the Company exceeded 50% of the share capital, as required by Article 308 of the UAE Federal Law No. (32) of 2021, the Manager referred the matter in the General Meeting on 31 March 2023 in which the shareholders resolved that the Company shall continue its operations.

d) Adoption of new International Financial Reporting Standards

Amendments and improvements effective for the current year.

The following amendments and improvements which became effective 1 January 2022 or after, did not have any significant impact on the Company's financial statements:

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- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 1
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018–2022
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Financial Reporting Standards
  - IAS 41 Agriculture

New and revised IFRSs in issue but not yet effective and not early adopted

The following amendment and improvements that are assessed by management as likely to have an impact on the financial statements, have been issued by the IASB prior to the date the financial statements were authorised for issue, but have not been applied in these financial statements as their effective dates of adoption are for future accounting periods.

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- IFRS 17 – Insurance Contracts (1 January 2023)
- Amendments to IFRS 17 – Insurance Contracts (1 January 2023)
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 (1 January 2023)
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 (1 January 2023)
- Definition of Accounting Estimates – Amendments to IAS 8 (1 January 2023)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 (1 January 2023)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold to an associate or a joint venture (The IASB postponed the effective date of this amendment indefinitely). (Early adoption is permitted).

e) **Functional and presentation currency**

The financial statements are presented in UAE Dirham ("AED") which is also the Company's functional currency.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted, and which have been consistently applied, are as follows:

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a) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. The cost less estimated residual value, where material, is depreciated from the date the asset is available for use until it is derecognised, using the straight-line method over the estimated useful lives of the assets as follows:

Right-of-use-assets	5 years
Computers and servers	3 years
Equipment, tools and spares	5 years
Leasehold improvements	5 years
Office equipment	5 years

The Company has presented right-of-use assets representing the right to use the underlying assets under property, plant and equipment [Refer notes 3 (g) and 6].

Capital work-in-progress is stated at cost less any impairment losses and is not depreciated. This will be depreciated from the date the relevant assets are ready for use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate only when it is probable that future economic benefits associated with the expenditure will flow to the Company and such cost can be measured reliably

All other repairs and maintenance costs are charged to profit or loss during the financial year in which they are incurred.

An assessment of depreciation method, useful lives and residual values is undertaken at each reporting date and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within other income/expenses in profit or loss.

b) **Impairment of tangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible assets (including right-of-use-assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the acquirer estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

c) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of jewellery is arrived at using the First-in-First-out basis (FIFO). Cost of watches and other goods is arrived at using specific identification method. The Cost comprises invoice value plus applicable landing charges less discounts. Net realisable value is based on estimated selling price less any estimated cost of completion and cost necessary to make sale.

Goods-in-transit represents the inventory over which Company has legal title based on terms of purchase, but which are physically not received at the Company's warehouse.

d) **Staff benefits**

The Company provides staff end-of-service benefits to its non-UAE national employees as per the applicable local laws, the entitlement to these benefits is based on the employees' last drawn salary and length of services which is accrued over the period of employment. Provision for staff end of services benefits are disclosed as non-current liability.

Provision is also made for employees' entitlement to annual leave salary and air passage for eligible employees as per the policy of the Company. Provision relating to annual leave salary and air passage is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period.

e) **Statutory reserve**

In accordance with the Article No. 103 of U.A.E. Federal Law No. 32 of 2021 on Commercial Companies, the Company is required to establish a statutory reserve by appropriation of 5% (previous year 10% as per UAE Federal Law No. (2) of 2015) of net profit until the reserve equals 50% of the share capital. The shareholders may resolve to discontinue such deduction when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except as provided in the Federal Law. During the year, no transfer of statutory reserve has been made on account of loss incurred by the Company.

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f) **Revenue recognition**

The Company is in the business of jewellery, watches, spectacles and precious stones trading.

Revenue from contracts with customers is recognized when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

The Company recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1. Identify the contracts with customers: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a goods to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the Company satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue.

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Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the goods 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. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of consideration payable to the customer.

g) **Leases**

As a lessee

The Company leases retail store space. Rental contracts are typically made for 1 years but have the extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right-of-use assets

The Company recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any reimbursement of lease liabilities. The cost of right-of-use assets includes:

- the amount of the initial measurement of lease liability
- any initial costs
- any lease payments made at or before the commencement date less any lease incentives received;

Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment, if any.

Lease liabilities

The Company recognises lease liabilities at the commencement date of the lease. The lease liabilities are measured at the net present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

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The Company uses its incremental borrowing rate as the discount rate in calculating the present value of lease payments. Further, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance lease payments or a change in the assessment to purchase the underlying asset.

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

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

h) **Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand, bank balance in current accounts, bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

i) **Foreign currency transactions**
Transactions in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into UAE Dirhams at the rate of exchange ruling at the reporting date.

Gains or losses resulting from foreign currency transactions are taken to profit or loss.

j) **Provisions**
A provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

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k) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017, Value Added Tax (VAT), is charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person.

The Company charges and recovers Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Irrecoverable VAT for which Company cannot avail the credit is charged to the relevant expenditure category or included in costs of non-current assets. The Company is also required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment. VAT receivable and VAT Payable are offset and the net amount is reported in the statement of financial position as the Company has a legally enforceable right to offset the recognised amounts and has the intention to settle the same on net basis.

l) **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 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 Company classifies all other liabilities as non-current.

m) **Borrowing costs**

Borrowing costs are recognised as an expense in the year in which they are incurred.

n) **Financial instruments**

Classification

On initial recognition, a financial asset is classified and measured at: amortised cost; fair value through other comprehensive income ("FVTOCI") – debt investment; FVTOCI – equity investment; or fair value through profit or loss ("FVTPL").

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The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, 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 instrumental level.

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 cashflows, selling the financial assets, or both.

Financial liabilities are classified as financial liabilities at FVTPL or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

Recognition
Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

Derecognition
Financial assets are de-recognised when, and only when,

- The contractual rights to receive cash flows expire 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.

Financial liabilities are de-recognised when, and only when, they are extinguished i.e., when obligation specified in the contract is discharged, cancelled or expired.

Measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Transactions costs of financial assets carried at FVTPL are expensed in profit or loss.

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets.

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The following accounting policies apply to the subsequent measurement of financial assets and liabilities.

Financial assets

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss and deferred income, if any (except for those assets that are designated as at fair value through other comprehensive income on initial recognition) using the effective interest method.

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

All other financial assets are subsequently measured at fair value.

Foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The financial assets at amortised cost comprise of trade and other receivables, other financial assets and cash and cash equivalents.

Financial assets at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments.

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of trade and other payables, lease liabilities (current and non-current), other financial liabilities and borrowings (short term and long term).

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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Loss allowances are measured on either of the following basis:

- 12-month ECLs: ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures the loss allowance at an amount equal to lifetime ECLs, except for the following which are measured as 12-month ECLs:

- Bank balances, other financial assets and other receivables for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The Company has elected to measure loss allowances for trade receivables at an amount equal to lifetime ECLs. The Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. 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.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportive information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit risk assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when:

- The customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 365 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset. For financial assets carried at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

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Offsetting

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

Equity

Share capital is recorded at the value of proceeds received towards interest in share capital of the Company.

o) **Derivatives financial instruments**

Derivatives that qualify for hedge accounting

The management has applied hedge accounting for its derivative financial instruments. The management applies hedge accounting only if all of the following conditions are met:

- There is formal designation and written documentation at the inception of the hedge;
- The effectiveness of the hedging relationship can be measured reliably. This requires the fair value of the hedging instrument, and the fair value or cash flows of the hedged item with respect to the risk being hedged, to be reliably measurable;
- The hedge is expected to be highly effective in achieving fair value or cash flow offsets in accordance with the original documented risk management strategy; and
- The hedge is assessed and determined to be highly effective on an ongoing basis throughout the hedge relationship. A hedge is highly effective if changes in the fair value of the hedging instrument, and changes in the fair value or expected cash flows of the hedged item attributable to the hedged risk.

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

At inception of the hedge, the management designates hedge either as a cash flow hedge or as a fair value hedge. The designation is done at inception of the hedge. At inception of the hedge, the management establishes formal documentation of the hedge relationship. The method an entity adopts depends on its risk management strategy and hedge accounting systems and practices. The method that will be used in measuring hedge effectiveness is specified in the hedge documentation.

The hedge documentation prepared at inception includes a description of the following:

- Risk management objective and strategy for undertaking the hedge;
- The nature of the risk being hedged;
- Clear identification of the hedged item the asset, liability, firm commitment or cash flows arising from a forecast transaction and the hedging instrument; and
- How hedge effectiveness will be assessed both prospectively and retrospectively. The entity describes the method and procedures in sufficient detail to establish a firm and consistent basis for measurement in subsequent periods for the particular hedge.

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A hedging relationship meets the hedge effectiveness requirements if there is an economic relationship between the hedged item and the hedging instrument, the effect of credit risk does not dominate the value changes that result from the economic relationship and the hedge ratio of the hedging relationship is the same as that resulting from the quantities of the hedged item that the entity actually hedges and the hedging instrument used to hedge that quantity of hedged item.

Cash flow hedges

Foreign currency risk

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast sales in US dollar, Indian Rupee, Euro and Great Britain Pound and forecast purchases in US dollar, Indian Rupee, Euro and Great Britain Pound. These forecast transactions are highly probable, and they comprise significant portion of the Company's total expected sales and purchase in US dollar, Indian Rupee, Euro and Great Britain Pound. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Under a cash flow hedge model, the effective portion of the fair value changes of the hedging instrument is recognised in statement of other comprehensive income (OCI) and the ineffective portion is recognised in the statement of profit or loss.

In a fair value hedge, any ineffectiveness is automatically recognised in the statement of comprehensive income because changes in the measurement of both the hedging instrument and the hedged item are reported through the statement of comprehensive income except if the hedging instrument hedges an equity investment for which the management has elected to present changes in fair value in OCI.

If a hedge is no longer effective, then hedge accounting is discontinued prospectively from the last date on which the hedge was proven to be effective. Hedge accounting is also discontinued when the hedged item or the hedging instrument is derecognised, the criteria are no longer met or when discontinued voluntarily.

If the hedging instrument is a derivative, then the hedging instrument is measured at fair value, with the effective portion of changes in its fair value recognised in other comprehensive income and presented within equity normally in a hedging reserve. The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in the statement of profit or loss.

If hedge accounting is not applied to a derivative instrument that is entered into as an economic hedge, then derivative gains and losses are shown in the statements of other comprehensive income.

p) **Contingencies and commitments**

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

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q) **Fair value measurement**

The Company measures financial instruments, such as financial assets at fair value through profit or loss at fair value at each reporting date. The Company also discloses the fair value of financial instruments measured at amortised cost.

The 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 fair value of an asset or a liability is measured using assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in their best economic interests.

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.

In addition, the fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. SIGNIFICANT JUDGMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Classification of financial assets

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.

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment (including right-of-use assets), to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

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The Company applies expected credit loss (ECL) model to measure loss allowance in case of financial assets on the basis of 12-month ECLs or Lifetime ECLs depending on credit risk characteristics and how changes in economic factors affect ECLs, which are determined on a probability-weighted basis.

Leases

Determining the lease term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Company considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), 4,11% and 6.40%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR using borrowing rates that certain financial institutions would charge the Company against financing the different types of assets it leases over different terms and different ranges of values. IBR is further adjusted for Company's specific risk, term risk and underlying asset risk. Majority of the leases are present in the UAE and accordingly no adjustment for the economic environment was deemed required.

Recognition of revenue and allocation of transaction price

Identification of performance obligations

The Company determined that the sale of goods is provided as a single component to customers and accordingly it becomes single performance obligation in respect of the goods being sold.

Determine timing of satisfaction of performance obligation

Revenue from sales of goods is to be recognised at a point in time when the control of the goods has transferred to the customers. Payment of the transaction price is due immediately at the point the customer purchases the goods.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Key assumptions made concerning the 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 as follows:

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Carrying values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Inventory provisions

Management regularly undertakes a review of the Company's inventory, stated at AED 234,456,685 (previous year AED 57,083,433) in order to assess the likely realisation proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment, assumptions are made as to the level of provisioning required.

Fair value of financial assets

The fair values of financial instruments that are not traded on an active market are determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting year. The key assumptions used and the impact of changes in these assumptions is provided in Note 3(q).

Impairment

Assessments of net recoverable amounts of property, plant and equipment (including right of-use-assets) is based on assumptions regarding future cash flows expected to be received from the related assets.

Impairment of financial assets

The loss allowance for financial assets is based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting year. Details of the key assumptions and inputs used are disclosed in Note 3 (n).

Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 238,231(previous year AED 93,197) assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Going concern assessment

As at the reporting date, Company's losses aggregated to AED 41,026,885, and as at that date it had a net deficit of AED 40,726,885 in equity funds. Notwithstanding these facts, the financial statements of the Company have been prepared on a going concern basis as the management of the Company believes that the future operations of the Company will generate sufficient profits and cashflows. Further, as required by Article 308 of the UAE Federal Law No. (32) of 2021, the shareholders have resolved to continue its operations in the General Meeting held on 31 March 2023.

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6. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in-progress [a]	Right-of-use assets[b]	Computers and servers	Equipment, tools and spares	Leasehold Improvements	Office equipment	Total
	AED	AED	AED	AED	AED	AED	AED
Cost							
At 1 April 2021	--	3,338,825	84,675	246,016	1,354,051	126,536	5,150,103
Additions	480,586	6,328,621	67,015	2,500	228,380	16,499	7,123,601
At 31 March 2022	480,586	9,667,446	151,690	248,516	1,582,431	143,035	12,273,704
Additions	2,975,557	5,074,968	172,648	119,091	1,666,479	627,014	10,635,757
At 31 March 2023	**3,456,143**	**14,742,414**	**324,338**	**367,607**	**3,248,910**	**770,049**	**22,909,461**
Accumulated Depreciation							
At 1 April 2021	--	945,722	12,886	22,905	135,358	12,021	1,128,892
Depreciation	--	1,270,541	40,308	46,398	280,932	29,290	1,667,469
At 31 March 2022	--	2,216,263	53,194	69,303	416,290	41,311	2,796,361
Depreciation for the year	--	2,565,151	81,599	58,268	434,185	76,694	3,215,897
At 31 March 2023	**--**	**4,781,414**	**134,793**	**127,571**	**850,475**	**118,005**	**6,012,258**
Carrying amount							
At 1 April 2021	--	2,393,103	71,789	223,111	1,218,693	114,515	4,021,211
At 31 March 2022	480,586	7,451,183	98,496	179,213	1,166,141	101,724	9,477,343
At 31 March 2023	**3,456,143**	**9,961,000**	**189,545**	**240,036**	**2,398,435**	**652,044**	**16,897,203**

a) Capital work-in-progress relates to payment made towards renovation of stores.

(b) It represents leasehold interest in lease of retail stores capitalised as right-of-use assets [refer note 3(g)].

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		2023 AED	2022 AED
7.	**INVENTORIES**		
	Goods held for sale	**234,456,685**	45,568,247
	Goods-in-transit	**--**	11,515,186
	Less: Provision for slow moving inventories	**(1,065,820)**	--
		233,390,865	57,083,433

A reconciliation of the movements in the provision for slow moving inventories is as follows:

Opening balance	**--**	--
Provision made during the year	**1,065,820**	--
Closing balance	**1,065,820**	--

8.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**1,105,009**	964,779
	Staff advances	**85,281**	29,781
	Other receivables	**765,548**	1,000
	Deposits	**968,711**	520,550
		2,924,549	1,516,110

a) An age analysis of trade receivables that are past due but not impaired is as follows:

0 – 3 months	**1,105,009**	964,779

b) The Company does not hold any collateral against trade receivables.

c) At the reporting date, there are no trade receivables considered to be impaired due to non-recovery or perceived difficulty in recovery (previous year AED Nil).

9.	**OTHER CURRENT ASSETS**		
	Prepayments	**1,225,650**	403,773
	Advances for goods and services	**4,490,154**	1,877,518
		5,715,804	2,281,291

10. **RELATED PARTIES**

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and are at prices determined by the management.

Name of related parties and description of relationship is as follows:

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Name	Nature of Relationship	Nature of transactions
Titan Holding International FZCO	Parent Company	Loan
Titan Company Limited	Ultimate Parent Company	Purchase
Mr. Kuruvilla Markose	Shareholder & Manager	NA
Mr. Ashok Kumar Sonthalia	Director	NA
Mr. Ajoy Hiro Chawla	Director	NA

At the reporting date significant balances with related parties were as follows:

	Parent company AED	Ultimate parent company AED	Total 31.3.2023 AED	Total 31.03.2022 AED
Other receivables	1,000	--	1,000	
	1,000	--		1,000
Trade and other payables	--	108,671,658	108,671,658	
	--	27,723,726		27,723,726
Long term borrowings	28,060,323	--	28,060,323	
	28,060,323	--		28,060,323

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 14 and 27.

Significant transactions with the ultimate parent company during the year were as follows:

	2023 AED	2022 AED
Purchase of inventories	296,413,652	69,374,954
Finance costs	3,204,148	583,280

The Company also receives funds from related parties as working capital facilities free of interest.

Certain administrative and staff related services are availed from a related party free of cost.

11. OTHER FINANCIAL ASSETS

Debt instruments at amortised cost:

Short term loan	1,000,000	--

The Company has provided unsecured loan to Ratnam Global Marketing Management (franchise) for establishing and operating its business and is receivable before 30 April 2023. The loan is secured by undated cheque held by Company. The interest rate charged on the loan is fixed at 4.75% p.a.

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		2023 AED	2022 AED
12.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	**329,106**	227,665
	Bank balance in current accounts	**1,748,832**	1,068,868
		2,077,938	1,296,533
13.	**SHARE CAPITAL**		
	Issued and paid up		
	300 shares of AED 1,000 each	**300,000**	300,000

The Shareholders at 31 March 2023 and their interests as at that date in the share capital of the Company were as follows:

Name	**No. of shares**	**AED**
Titan Holdings International FZCO	299	299,000
Kuruvilla Markose	1	1,000
	300	**300,000**

		2023 AED	2022 AED
14.	**LONG-TERM BORROWING**		
	Opening balance	**28,060,323**	15,910,323
	Receipt during the year	**--**	12,150,000
	Closing balance	**28,060,323**	28,060,323

This represents interest free long-term loan with no fixed repayment schedule obtained from Titan Holding International FZCO the parent company. However, it is not the intention of the parent company to demand the repayment of loan within one year from the reporting date.

		2023 AED	2022 AED
15.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	**93,197**	23,362
	Provision made during the year	**145,034**	69,835
	Closing balance	**238,231**	93,197
16.	**LEASE LIABILITIES**		
	Lease liabilities for long-term lease of retail store space	**9,505,160**	5,876,852

Disclosed in the statement of financial position as follows:

	2023 AED	2022 AED
Non-current liabilities	**6,575,223**	4,711,852
Current liabilities	**2,929,937**	1,165,000
	9,505,160	5,876,852

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A reconciliation of the movements in the lease liabilities is as follows:

	2023 AED	2022 AED
Opening balance	5,876,852	1,300,916
Lease liabilities for the year	5,074,968	6,328,621
Finance cost for the year	355,966	149,566
Payments made during the year	(1,802,626)	(1,902,251)
Closing balance	9,505,160	5,876,852

A maturity analysis of undiscounted lease liabilities is as follows:

0 – 6 months	1,819,501	465,000
6 months – 1 year	1,518,798	700,000
Presented as current liabilities	3,338,299	1,165,000
1 year – 5 years	7,029,503	5,265,000
Total	10,367,802	6,430,000

Reconciliation of undiscounted lease liabilities to the lease liabilities as stated in the statement of financial position is as follows:

Lease payments due	10,367,802	6,430,000
Less: Finance cost on leases	(862,642)	(553,148)
Disclosed in the statement of financial position	9,505,160	5,876,852

17. **SHORT-TERM BORROWING**

Bank overdrafts	121,681,838	18,071,057

The bank overdraft is obtained from Standard Chartered Bank and are secured by the corporate guarantees furnished to bank by the ultimate parent company.

18. **TRADE AND OTHER PAYABLES**

Trade payables	115,036,285	27,927,574
Accruals	15,711,093	5,177,626
	130,747,378	33,105,200

The entire trade and other payables are due for payment within one year from the reporting date.

19. **OTHER CURRENT LIABILITIES**

Advance for goods and services	446,512	105,750
VAT payable (net)	1,120,964	435,516
	1,567,476	541,266

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		2023 AED	2022 AED
20.	**OTHER FINANCIAL LIABILITIES**		
	Derivatives designation as hedging instruments:		
	Commodity forward contracts	--	1,325,242
	Financial liabilities at fair value through profit or loss (FVTPL):		
	Derivative instruments[a]	10,932,838	--
		10,932,838	1,325,242

(a) Derivative instruments at fair value through profit or loss are forward contracts taken by the Company and carried at fair value as at the reporting date. These instruments are disclosed under current liability in the current year (previous year AED Nil) since the settlement date is within twelve months from the reporting date.

21. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to ensure that the Company continues as a going concern and to provide the shareholders with a rate of return on their investment commensurate with the level of risk assumed.

Capital comprises equity funds as presented in the statement of financial position together with loan from a shareholder. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

The Company is subject to externally imposed capital requirements as per provisions of the Article 308 of the UAE Federal Law No. (32) of 2021 and bank facilities availed. As referred in note 2 (c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, the manager refered the matter in the General meeting in which the shareholders have resolved to continue with the operations of the Company.

Funds generated from internal accruals together with funds received from related parties net of funds provided to related parties, if any are retained in the business according to the business requirements and to maintain capital at desired levels.

22. REVENUE

The Company generates revenue from the transfer of goods at a point in time. The disaggregated revenue from contracts with customers by geographical segments, type of goods and timing of recognition is presented below. The management believes that this best depicts the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

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	2023 AED	2022 AED
Primary Geographical segments		
- UAE	**157,788,918**	55,133,317
Type of goods		
Trading		
- Jewellery	**149,670,834**	49,579,705
- Watches	**7,681,755**	5,553,612
- Spectacles	**436,329**	--
	157,788,918	55,133,317
Timing of revenue recognition		
- At a point in time	**157,788,918**	55,133,317

23. OTHER OPERATING INCOME

	2023 AED	2022 AED
Other income	**38,303**	2,470

24. STAFF COSTS

	2023 AED	2022 AED
Staff salaries and benefits	**6,808,246**	3,009,943
Staff end-of-service benefits	**145,034**	69,835
	6,953,280	3,079,778

25. OTHER OPERATING EXPENSES

	2023 AED	2022 AED
Advertising and publicity expenses	**19,102,657**	8,582,393
Travel expenses	**134,622**	29,555
Provision for slow-moving inventory	**1,065,820**	--
Short-term lease expenses	**1,569,003**	1,021,900
Recruitment expenses	**433,999**	345,000
Commission expenses	**5,081,585**	943,106
Other expenses	**7,988,264**	2,495,923
	35,375,950	13,417,877

26. FINANCE COSTS

	2023 AED	2022 AED
On lease liabilities	**355,966**	149,566
On supplier balances	**3,204,148**	583,280
On bank borrowings	**3,432,566**	57,365
	6,992,680	790,211

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

The net carrying amounts and fair values as at the reporting date of financial assets and financial liabilities are as follows:

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	Fair value through profit or loss		Fair value through other comprehensive income		At amortised cost	
	2023	2022	**2023**	2022	**2023**	2022
	AED	AED	**AED**	AED	**AED**	AED
Financial assets						
Trade and other receivables	--	--	--	--	**2,924,549**	1,516,110
Other financial assets	--	--	--	--	**1,000,000**	--
Cash and cash equivalents	--	--	--	--	**2,077,938**	1,296,533
	--	--		--	**6,002,487**	2,812,643
Financial liabilities						
Long-term borrowing	--	--	--	--	**28,060,323**	28,060,323
Short-term borrowing	--	--	--	--	**121,681,838**	18,071,057
Trade and other payables	--	--	--	--	**130,747,378**	33,105,200
Other financial liabilities	**10,932,838**	--	--	1,325,242	--	--
Lease liabilities (current and non-current)	--	--	--	--	**9,505,160**	5,876,852
	10,932,838	--	--	1,325,242	**289,994,699**	85,113,432

Fair value measurement and disclosures

The management assesses the fair values of all its financial assets and financial liabilities at each reporting date.

The fair values of cash and cash equivalents, trade and other receivables, other financial assets, trade and other payables, other financial liability, current lease liabilities, and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

Interest-free shareholders' loans due to their terms have fair values lower than their carrying values.

The following methods and assumptions were used to determine the fair values of other financial liabilities:

Fair values of non-current lease liabilities is estimated by discounting future cash flows using rates currently available for debts on similar items, credit risk and remaining maturities. As at the reporting date, the carrying amounts of such liabilities, are not materially different from their fair values.

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Commodity forward contracts are valued using valuation techniques, which employ the use of market observable inputs.

The following tables detail the Company's fair values of assets and liabilities measured and recognised at their fair value categorised by the following levels:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	Level 1		Level 2		Level 3		Total	
	2023 AED	2022 AED	2023 AED	2022 AED	2023 AED	2022 AED	2023 AED	2022 AED
Other financial liabilities	--	--	10,932,838	1,325,242	--	--	10,932,838	1,325,242

Financial risk management

Risk management objectives

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company's risk management focusses on actively securing short to medium term cash flows by minimizing the exposure to financial markets.

The primary risks to which the business is exposed, which are unchanged from the previous year, comprise credit risks, liquidity risks and market risks (including cash flow interest rate risks and fair value interest rate risks).

The management of the Company reviews and agrees policies for managing each of these risks which are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk is managed by assessing the creditworthiness of potential customers and the Potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

The Company buys and sells goods and services in foreign currencies. Exposure is minimised where possible by denominating such transactions in US dollars to which the UAE Dirhams is pegged.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and trade and other receivables.

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The Company's bank accounts are placed with high credit quality financial institutions.

Borrowing facilities are regularly reviewed to ensure that the Company obtains the best available pricing, terms and conditions on its borrowings.

The management assesses the credit risk arising from trade and other receivables taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date 58% of trade receivables was due from one customer (previous year 100% due from one customer)

Based on the assessment, the management believes that the impairment requirement under IFRS 9 does not have any significant impact on the financial statements.

Liquidity risk
Liquidity risk is the risk that the Company may encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Company manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Company's undiscounted financial liabilities at the reporting date, based on contractual payment dates and current market interest rates.

	Less than one year		More than one year		Total	
	2023	2022	**2023**	2022	**2023**	2022
	AED	AED	**AED**	AED	**AED**	AED
Bank borrowings	**121,681,838**	18,071,057	--	--	**121,681,838**	18,071,057
Trade and other payables	**130,747,378**	33,105,200	--	--	**130,747,378**	33,105,200
Long-term borrowing	--	--	**28,060,323**	28,060,323	**28,060,323**	28,060,323
Lease liability	**3,338,299**	1,165,000	**7,029,503**	5,265,000	**10,367,802**	6,430,000

Market risk
Market risk is the risk that the changes in market prices, such as foreign currency exchange rates, interest rates and prices, will affect the Group's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns.

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Currency risk

Currency risk is the risk that the values of financial instruments will fluctuate because of changes in foreign exchange rates.

There are no significant currency risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the Dirham is fixed

Reasonably possible changes to exchange rates at the reporting date are unlikely to have had a significant impact on profit or equity.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate because of changes in market interest rates.

Bank overdraft is subject to floating interest rates at levels generally obtained in the UAE or are linked to LIBOR and are therefore exposed to cash flow interest rate risk.

At the reporting date, if interest rates had been 1% higher or lower, interest expense on variable rate debt would have been AED 1,216,818 higher or lower (previous year AED 180,711 resulting in equity being lower or higher by AED 1,216,818 (previous year AED 180,711).

28. COMPARATIVE INFORMATION

Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to those of the current year.

29. SIGNIFICANT EVENTS

Corporate tax

On 9 December 2022, the UAE Ministry of Finance issued the Federal Decree-Law No. (47) of 2022 introducing Corporate Tax, effective for financial years commencing on or after 1 June 2023. The rate of corporate tax is 9% on the taxable income exceeding AED 375,000 and 0% for qualifying free zone companies on their qualifying income, subject to meeting specified conditions. There is no impact of this law on the financial statements of the Company for the year ended 31 March 2023. Management will assess the implications of this Federal Corporate Tax for the Company in due course.

For **TITAN GLOBAL RETAIL L.L.C**

KURUVILLA MARKOSE
(MANAGER)

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