TITAN GLOBAL RETAIL L.L.C

Financial statements and reports

Period ended 31 March 2021

TITAN GLOBAL RETAIL L.L.C

Financial statements and reports
Period ended 31 March 2021

Contents	**Page**

TITAN GLOBAL RETAIL L.L.C

MANAGER'S REPORT
FOR THE PERIOD ENDED 31 MARCH 2021

The Manager submits his report and financial statements for the period ended 31 March 2021. 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

The loss for the period amounted to AED 2,885,474. The Manager does not recommend any dividends for the period ended 31 March 2021.

Review of the business

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

Legal and regulatory requirements

The Company has complied with the applicable provisions of the UAE Federal Law No.(2) of 2015.

Shareholders and their interests

The Shareholders at 31 March 2021 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 period ended 31 March 2021 and it is proposed that they be re-appointed for the year ending 31 March 2022.

Manager
23 April 2021

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 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 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 2021, and of its financial performance and its cash flows for the period 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) in the financial statements, which states that the Company incurred a loss of AED 2,885,474 for the period ended 31 March 2021 and at that date, the Company's losses aggregated to AED 2,885,474, and it had a net deficit of AED 2,217,986 in equity funds. Further, the uncertainty due to Covid-19 outbreak with regard to the future impact on the business performance has been considered as part of the management's assessment of the Company's ability to continue as a going concern. 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 shareholders have agreed to continue with the operations of the Company and have 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. (2) of 2015, 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.

continued…

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 (2) of 2015, 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

Further, as required by the UAE Federal Law No. (2) of 2015, 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. (2) of 2015;

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 period 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 period ended 31 March 2021; and

Continued…

INDEPENDENT AUDITOR'S REPORT
(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 period ended 31 March 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2021 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 301 of the UAE Federal Law No. (2) of 2015, the shareholders of the Company called a General Meeting in which the shareholders resolved to continue with the operations of the Company.

For **PKF**

Vinod M. Joshi
Partner
Auditor registration no. 1200
Dubai, United Arab Emirates
29 April 2021

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF FINACIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	31.03.2021 (Note 27) AED
ASSETS		
Non-current asset		
Property, plant and equipment	6	4,021,211
Current assets		
Inventories	7	15,201,509
Trade and other receivables	8	2,340,946
Other current assets	9	167,344
Other financial assets	11	764,398
Cash and cash equivalents	12	200,068
		18,674,265
Total Assets		22,695,476
EQUITY AND LIABILITIES		
Equity' funds		
Share capital	13	300,000
Fair value reserves		367,488
Accumulated losses		(2,885,474)
Deficit in equity funds		(2,217,986)
Non-current liabilities		
Long-term borrowing	14	15,910,323
Provision for staff end-of-service benefits	15	23,362
Lease liabilities	16	874,776
		16,808,461
Current liabilities		
Short-term borrowing	17	1,670,756
Trade and other payables	18	5,628,940
Other current liabilities	19	379,165
Lease liabilities	16	426,140
		8,105,001
Total liabilities		24,913,462
Total equity and liabilities		22,695,476

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 and authorised for issue by the Shareholders on 23 April 2021 and signed on their behalf by Mr. Kuruvilla Markose.

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

Manager

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021

	Notes	15.12.2019 to 31.03.2021 (Note 27) AED
Revenue	21	19,204,561
Purchase of inventory (including direct costs)		(31,168,849)
Changes in inventories		15,201,509
Gross profit		3,237,221
Other income	22	4,748
Staff costs	23	(1,306,800)
Depreciation	6	(1,128,892)
Other expenses	24	(3,543,899)
Finance costs	25	(147,852)
LOSS FOR THE PERIOD		(2,885,474)
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		367,488
Other comprehensive income for the period		367,488
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(2,517,986)

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 PERIOD ENDED 31 MARCH 2021

		Share capital AED	Accumulated losses AED	Fair value reserves AED	Total AED
Issue of Share capital		300,000	--	--	300,000
Comprehensive income					
- Loss	(a)	--	(2,885,474)	--	(2,885,474)
- Other comprehensive income	(b)	--	--	367,488	367,488
Total comprehensive income for the period	(a+b)	--	(2,885,474)	367,488	(2,517,986)
Balance at 31 March 2021 (Note 27)		**300,000**	**(2,885,474)**	**367,488**	**(2,217,986)**

The details of movements in fair value reserves is as follows:

	Fair value reserves AED
Items that may be reclassified to profit or loss	
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	367,488

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 CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2021

	15.12.2019 to 31.03.2021 (Note 27) AED
Cash flows from operating activities	
Loss for the period	(2,885,474)
Adjustments for:	
Depreciation of property, plant and equipment	1,128,892
Finance costs	147,852
Provision for staff end of service benefit	23,362
	(1,585,368)
Changes in:	
- Inventories	(15,201,509)
- Trade and other receivables	(2,340,946)
- Other current assets	(167,344)
- Trade and other payables	5,628,940
- Other current liabilities	379,165
Cash used in operations	(13,287,062)
Interest paid	(55, 761)
Net cash used in operating activities	(13,342,823)
Cash flows from investing activities	
Payments for property, plant and equipment	(1,811,278)
Increase in other financial asset	(396,910)
Net cash used in investing activities	(2,208,188)
Cash flows from financing activities	
Issue of share capital	300,000
Payment of lease liability	(2,130,000)
Receipts of loan from a shareholder	15,910,323
Net cash generated from financing activities	14,080,323
Net decrease in cash and cash equivalents	(1,470,688)
Cash and cash equivalents at end of period	(1,470,688)
Cash and cash equivalents (note 12)	200,068
Bank overdraft (note 17)	(1,670,756)
	(1,470,688)

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.

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 applicable provisions of the UAE Federal Law No. (2) of 2015.The registered office is PO Box 371304, Dubai UAE. The Company was registered on 15 December 2019 and commenced operations on since then.

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 no.
i)	Titan Global Retail L.L.C (branch)	9 July 2020	894626
ii)	Titan Global Retail L.L.C (branch)	31 December 2020	925775

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

c) The parent company is Titan Holdings International FZCO and the ultimate parent company is Titan Company Limited.

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 January 2019, and the requirements of the applicable provisions of the UAE Federal Law No.(2) of 2015.

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 2,885,474 for the period ended 31 March 2021 and at that date, the Company's losses aggregated to AED 2,885,474, and it had a net deficit of AED 2,217,986 in equity funds.

Further, the uncertainty due to COVID-19 outbreak with regard to the future impact on the business performance has been considered as part of the management's assessment of the Company's ability to continue as a going concern. However, due to the unprecedented nature of COVID-19 outbreak, the lack of enough historical data, the low visibility and the high uncertainty related to its evolution, the duration and its impact on the economy in general, it is difficult to make the quantification of its negative impact, if any on the Company's business at this stage as the outcome is dependent on future events which are uncertain. Nevertheless, the management is closely monitoring the situation and have taken adequate steps to manage the business disruption resulted from COVID-19 outbreak in order to maintain financial liquidity and sustain the business. Since the impact of COVID-19 continues to evolve, the Company will continue to monitor the situation and its impacts on the financial statements. These events or conditions, indicate that a material uncertainty exist that may cast significant doubt on the Company's ability to continue as a going concern.

Further, since the losses of the Company exceeded 50% of the share capital, as required by Article 301 of the UAE Federal Law No. (2) of 2015, the Company has convened the general meeting in which the shareholders resolved that the Company shall continue its operations. In addition, the shareholders have 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.

d) **Adoption of new International Financial Reporting Standards**

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

The following amendments 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 37 – Onerous Contracts - Cost of Fulfilling a contract (1 January 2022)
- Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use (1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020 (1 January 2022)
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IFRS 1 First-time Adoption of International Reporting Standards
  - IAS 41 Agriculture
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current (1 January 2023)
- Amendment to IFRS 16 - Covid-19-Related Rent Concessions

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 are as follows:

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-Asset	5 years
Leasehold improvements	5 years
Computers and servers	3 years
Furniture, fixtures and office equipment	5 years
Plant and machinery	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].

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 period 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 operating 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 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.

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.

d) **Staff end-of-service benefits**

The Company provides end of service benefits to its non- UAE national employees as per the applicable local laws, the entitlement to these benefits is based on upon the employees' final salary and length of services which is accrued over the period of employment (refer note 5). Provision is also made for employees' entitlement to annual leave for eligible employees as per the policy of the Company. Provision relating to annual leave is disclosed as current liability as employees are entitled to redeem these benefits at any point of time after the reporting period. Provision for staff end of services benefits are disclosed as non-current liability.

e) **Statutory reserve**

Statutory reserve is created by appropriating 10% of the profit of the Company as required by Article 103 of the UAE Federal Law No. (2) of 2015. 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 period, no transfer of statutory reserve has been made on account of loss incurred by the Company.

f) **Revenue recognition**

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

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.

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.

g) **Leases**

As a lessee

The Company leases retail store space. Rental contracts are typically made for 1 years but may have 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

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.

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 and bank balance in current accounts.

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.

k) **Value added tax**

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 period 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").

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.

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

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.

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 comprise of trade and other payables, lease liabilities (current and non-current) 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.

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 and other financial assets 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.

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 instrument**

Cash flow hedges

The Company uses derivative financial instruments to manage risks associated with gold price fluctuations relating to certain highly probable forecasted transactions. The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions. The use of derivative financial instruments is governed by the Company approved policies consistent with the Company's risk management strategy. Hedging instruments are initially measured at fair value, and are re-measured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and accumulated under the hedging reserve and the ineffective portion is recognised immediately in the statement of profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained until the forecast transaction occurs upon which it is recognised in the statement of profit and loss. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss accumulated in hedging reserve is recognised immediately to the statement of profit or loss. The Company has designated derivative financial instruments taken for gold price fluctuations as 'cash flow' hedges relating to highly probable forecasted transactions.

p) **Fair value measurement**

The Company measures financial instruments, such as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. 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:

Property, plant and equipment

In the opinion of management, as reliable estimates of market value are available, stating the Company's freehold and leasehold land and buildings at valuation provides a more meaningful reflection of the decisions to acquire such properties and of the Company's asset position at the reporting date.

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, equipment, 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.

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%, due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the transition date, 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

The Company concluded that the 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:

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 15,201,509 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 period. The key assumptions used and the impact of changes in these assumptions is provided in Note 3(n).

Impairment

Assessments of net recoverable amounts of property, plant and equipment 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 period. 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 23,362 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.

Impact of COVID-19

Since the COVID-19 outbreak is evolving rapidly, the Company continues to assess the impact on its operations on a regular basis. The management believe that there exists a material uncertainty in respect of expected duration and its potential impact on the overall economy including the operations of the Company. However, the management concluded that there is no significant impact of COVID-19 on its operations due to nature of Company's business activities.

6. PROPERTY, PLANT AND EQUIPMENT

	Right of use assets	Computers and servers	Plant & machinery	Leasehold Improve-ments	Office equipment	Total
	AED	AED	AED	AED	AED	AED
Cost						
Additions	3,338,825	84,675	246,016	1,354,051	126,536	5,150,103
As at 31 March 2021	**3,338,825**	**84,675**	**246,016**	**1,354,051**	**126,536**	**5,150,103**
Accumulated Depreciation						
Depreciation	945,722	12,886	22,905	135,358	12,021	1,128,892
As at 31 March 2021	**945,722**	**12,886**	**22,905**	**135,358**	**12,021**	**1,128,892**
Carrying amount						
As at 31 March 2021	**2,393,103**	**71,789**	**223,111**	**1,218,693**	**114,515**	**4,021,211**

Leasehold improvements are incurred on leasehold retail space, the lease period being 1 year with a renewable option. The leasehold interest in lease of retail store is capitalised as Right-of-use asset [refer note 3(g)].

	31.03.2021 (Note 27) AED
7. INVENTORIES	
Goods held for sale	**15,201,509**

The cost of inventories recognised as an expense during the period is AED 16,755,428.

8. TRADE AND OTHER RECEIVABLES	
Trade receivables	**2,242,885**
Staff advances	**63,351**
Other receivables	**1,000**
Deposits	**33,710**
	2,340,946

The Company holds bank guarantee amounting to AED 900,000 as security against receivables.

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

0 – 3 months	**1,385,318**
More than 3 months	**857,567**
	2,242,885

9. OTHER CURRENT ASSETS	
Prepayments	**167,344**

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.

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

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. Nandakumar Seshadri Tirumalai	Manager	NA
Mr. Subramaniam Somasundaram	Manager	NA

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

	Parent company/ Shareholder	Ultimate parent company	31.03.2021 (Note 27)
	AED	AED	AED
Other recievables	1,000	--	**1,000**
Trade and other payables	--	3,927,517	**3,927,517**
Loan from a shareholder	15,910,323	--	**15,910,323**

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 14 and 26.

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

Purchase of inventories	**31,956,938**

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

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

11. OTHER FINANCIAL ASSETS

Derivatives designated as hedging instruments:

Commodity forward contracts	**764,398**

Derivatives designated as hedging instruments reflect the positive change in fair value of commodity forward contracts, designated as cash flow hedges to hedge highly probable forecast transaction.

		31.03.2021 (Note 27) AED
12.	**CASH AND CASH EQUIVALENTS**	
	Cash on hand	86,722
	Bank balance in current accounts	113,346
		200,068
13.	**SHARE CAPITAL**	
	Issued and paid up	
	300 shares of AED 1,000 each	300,000
14.	**LONG-TERM BORROWING**	
	Loan from a shareholder	15,909,323

This represents interest free long-term loan with no fixed repayment schedule obtained from Titan Holding International FZCO.

15.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**	
	Provision made during the period	23,362
	Closing balance	23,362
16.	**LEASE LIABILITIES**	
	Lease liabilities for long-term lease of retail store	1,300,916

Disclosed in the statement of financial position as follows:

Non-current liabilities	874,776
Current liabilities	426,140
	1,300,916

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

Lease liabilities for the period	3,338,825
Finance cost for the period	92,091
Payments made during the period	(2,130,000)
Closing balance	1,300,916

A maturity analysis of lease liabilities is as follows:

0 – 6 months	465,000
1 year – 5 years	930,000
Total	1,395,000

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

	31.03.2021 (Note 27) AED
Lease payments due	1,395,000
Less: Finance cost on leases	(94,084)
Disclosed in the statement of financial position	1,300,916

17. **SHORT-TERM BORROWING**

Bank overdrafts	1,670,756

An analysis by bank of bank overdraft outstanding is as follows:

Standard chartered bank	1,670,756

The bank facilities are secured by the corporate guarantees furnished to bank by the ultimate parent company.

A maturity analysis of short-term and short-term bank borrowing is as follows:

Overdrafts	1,670,756

18. **TRADE AND OTHER PAYABLES**

Trade payables	3,958,851
Accruals	1,670,089
	5,628,940

The entire trade and other payables are due for payment in one year.

19. **OTHER CURRENT LIABILITIES**

Advance for goods and services	28,591
VAT payable (net)	350,574
	379,165

20. **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 301 of the UAE Federal Law No. (2) of 2015. As referred in note 2 (c) to the financial statements, since the losses of the Company exceeded 50% of its share capital, the Company convened 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.

21. 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.

	15.12.2019 to 31.03.2021 (Note 27) AED
Primary Geographical segments	
- UAE	19,204,561
Type of goods	
Trading	
Jewellery	17,057,253
Watches	2,147,308
	19,204,561
Timing of revenue recognition	
- At a point in time	19,204,561

22. OTHER INCOME

Other miscellaneous income	4,748

23. STAFF COSTS

Staff salaries and benefits	1,283,438
Staff end-of-service benefits	23,362
	1,306,800

24. OTHER EXPENSES

Advertising and publicity expenses	1,817,396
Short-term lease expenses	587,439
Recruitment expenses	208,200
Commission expenses	112,863
Other expenses	818,001
	3,543,899

		15.12.2019 to 31.03.2021 (Note 27) AED
25.	**FINANCE COSTS**	
	On lease liabilities	92,091
	Other finance costs	55,761
		147,852

26. **FINANCIAL INSTRUMENTS**

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

	At amortised cost 31.03.2021 (Note 27) AED	At fair value through other comprehensive income 31.03.2021 (Note 27) AED
Financial assets		
Trade and other receivables	2,340,946	--
Other financial asset	--	764,398
Cash and cash equivalents	200,068	--
	2,541,014	764,398
Financial liabilities		
Long term borrowing	15,910,323	
Trade and other payables	5,628,940	--
Short term borrowing	1,670,756	--
Lease liabilities (current and non-current)	1,300,916	--
	24,510,935	--

Management of risks

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

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

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. As part of the Company's credit risk management, where it is considered necessary, such receivables are covered by bank guarantees in favour of the Company, issued by high credit quality financial institutions.

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

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.

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

Exposures to the aforementioned risks are detailed below:

Credit risk
Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank balances and trade and receivables

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

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 100 % of trade receivables was due from one customer.

At the reporting date, entire trade receivables exposure is from customer engaged in watches retail industry.

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

Currency risk
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

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 16,708 higher or lower resulting in equity being higher or lower by AED 16,708.

Fair values
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, trade and other payables, other financial assets, lease liabilities (current), 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 assets/liabilities:

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.

Fair values of non-current lease liabilities and long-term borrowing 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 details of the Company's fair value hierarchy of financial instruments are as follows:

	Level 2 31.03.2021 (Note 27) AED
Derivative financial assets	764,398

27. **COMPARATIVE INFORMATION**

These are the first set of financial statements for the Company from 15 December 2019 to 31 March 2021 [refer note 1(a)] and hence, no comparative information is presented.

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

MANAGER