TITAN GLOBAL RETAIL L.L.C

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2026

TITAN GLOBAL RETAIL L.L.C

FINANCIAL STATEMENTS AND REPORTS
YEAR ENDED 31 MARCH 2026

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TITAN GLOBAL RETAIL L.L.C

MANAGERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2026

The Managers submit their report and financial statements for the year ended 31 March 2026. We approve the financial statements and confirm that we are responsible for these, including selecting the accounting policies and making the judgments underlying them. We confirm that we have made available all relevant accounting records and information for their compilation.

Results and dividends

The profit after tax for the year amounted to AED 10,685,517. The Managers do not recommend any dividends for the year ended 31 March 2026.

Review of the business

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

Legal and regulatory requirements

The Company has complied with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended.

The losses of the Company exceeded 50% of its share capital. As required by Article 308 of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended, the Managers had called a General Meeting in which the shareholder had resolved that the Company shall continue its operations.

Events since the end of the year

There have been no significant events since the end of the year other than the developments relating to the West Asia Region conflict, which has been disclosed in note 33 to the financial statements.

Shareholder and its interests

The shareholder at 31 March 2026 and its interest as at that date in the share capital of the Company was as follows:

Name	No. of shares	AED
Titan Holdings International FZCO, Dubai, UAE	18,650	18,650,000

Independent auditor

PKF – Chartered Accountants (Dubai Br) were appointed as independent auditor for the year ended 31 March 2026.

Kuruvilla Markose
Authorised signatory
02 OCT 2026

تيتان جلوبال ريتيل ذ.م.م
DUBAI
TITAN GLOBAL RETAIL L.L.C

PKF - Chartered Accountants (Dubai Br)
بيه كي إف - تشارترد اكاونتنتس (فرع دبي)

Accountants &
business advisers

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder 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 2026, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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 United Arab Emirates (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 as at 31 March 2026, the Company's losses aggregated to AED 99,380,162, its current liabilities exceeded its current assets by AED 99,991,290 and it had a net deficit of AED 80,195,886 in equity. 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 parent company and the ultimate parent company 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.

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Auditor Registration No. S.D. Pereira - 552, S.Lalwani - 5468, A.Tulsan - 5466, C.J Shaji - 5723, J.M. Dholakia - 5788

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INDEPENDENT AUDITOR'S REPORT
(continued)

Other information
Management is responsible for the other information. Other information comprises the Managers' report as required by the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended, 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.

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 conclude 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 IFRS Accounting Standards as issued by the IASB, and for their compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended, 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.

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INDEPENDENT AUDITOR'S REPORT
(continued)

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.

- 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 Decree Law No. (32) of 2021 on Commercial Companies, as amended, 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 Decree Law No. (32) of 2021 on Commercial Companies, as amended;

iii) the Company has maintained proper books of account;

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INDEPENDENT AUDITOR'S REPORT
(continued)

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

v) the Company has not purchased or invested in any shares during the financial year ended 31 March 2026;

vi) note 12 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 2026; and

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 2026 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended, or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2026 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 Decree Law No. (32) of 2021 on Commercial Companies, as amended, the Managers of the Company called a General Meeting in which the shareholder resolved to continue with the operations of the Company.

For **PKF – Chartered Accountants (Dubai Br)**

Ashish Tulsan

AUDITORS PKF U.A.E.

Ashish Tulsan
Partner
Registration no. 5466
Dubai
United Arab Emirates

02 OCT 2026

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 AED	2025 AED
ASSETS			
Non-current assets			
Property, plant and equipment	6	**16,351,218**	32,118,601
Intangible assets	7	**642,322**	1,203,920
Deferred tax assets	8	**5,034,477**	4,114,371
Trade and other receivables	10	**1,029,438**	1,616,471
		23,057,455	39,053,363
Current assets			
Inventories	9	**441,982,584**	337,487,288
Trade and other receivables	10	**102,233,231**	19,931,870
Other current assets	11	**3,909,817**	3,460,278
Due from related parties	12	**11,733,646**	4,581,893
Cash and cash equivalents	13	**22,983,272**	4,181,161
		582,842,550	369,642,490
Total assets		**605,900,005**	408,695,853
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**18,650,000**	18,650,000
Statutory reserve		**534,276**	--
Accumulated losses		**(99,380,162)**	(109,531,403)
Deficit in equity		**(80,195,886)**	(90,881,403)
Non-current liabilities			
Provision for staff end-of-service benefits	15	**1,224,249**	949,198
Lease liabilities	16	**2,037,802**	10,012,014
		3,262,051	10,961,212
Current liabilities			
Loan from shareholder	17	**95,485,000**	91,802,500
Short-term borrowings	18	**462,000,500**	304,327,754
Trade and other payables	19	**61,911,051**	35,904,976
Other current liabilities	20	**7,366,585**	4,662,728
Other financial liabilities	21	**52,417,572**	32,542,262
Due to related parties	12	**--**	10,341,830
Lease liabilities	16	**3,653,132**	9,033,994
		682,833,840	488,616,044
Total liabilities		**686,095,891**	499,577,256
Total liabilities net of deficit in equity		**605,900,005**	408,695,853

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AUDITORS PKF U.A.E.

TITAN GLOBAL RETAIL L.L.C

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

(continued)

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 by the shareholder and signed on their behalf by Mr. Kuruvilla Markose on 02 OCT 2026

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

Kuruvilla Markose
Authorised signatory

تيتان جلوبال ريتيل ذ.م.م
DUBAI
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 2026

	Notes	2026 AED	2025 AED
Revenue	23	**881,867,156**	503,796,400
Cost of sales	24	**(770,134,291)**	(438,959,410)
Gross profit		**111,732,865**	64,836,990
Other income	25	**3,444,950**	7,652,922
Administrative and selling expenses	26	**(101,910,672)**	(91,501,991)
Interest income	27	**243,280**	3,449,532
Finance costs	28	**(821,913)**	(27,830,044)
Impairment of other receivables	10	**(2,923,099)**	--
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR		**9,765,411**	(43,392,591)
Income tax benefit	29	**920,106**	4,114,371
PROFIT/(LOSS) AFTER TAX FOR THE YEAR		**10,685,517**	(39,278,220)
Other comprehensive income:			
Other comprehensive income for the year		--	--
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**10,685,517**	(39,278,220)

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 2026

	Share capital AED	Statutory reserve AED	Accumulated losses AED	Total AED
Balance at 1 April 2024	300,000	--	(70,253,183)	(69,953,183)
Issue of share capital	18,350,000	--	--	18,350,000
Total comprehensive income for the year	--	--	(39,278,220)	(39,278,220)
Balance at 31 March 2025	18,650,000	--	(109,531,403)	(90,881,403)
Total comprehensive Income for the year	--	--	10,685,517	10,685,517
Transfer	--	534,276	(534,276)	--
Balance at 31 March 2026	**18,650,000**	**534,276**	**(99,380,162)**	**(80,195,886)**

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 YEAR ENDED 31 MARCH 2026

	2026 AED	2025 AED
Cash flows from operating activities		
Profit/(loss) before tax for the year	**9,765,411**	(43,392,591)
Adjustments for:		
Depreciation of property, plant and equipment	**11,591,606**	11,756,894
Amortisation of intangible assets	**561,598**	413,078
Finance costs	**821,913**	27,830,044
Interest Income	**(243,280)**	(3,449,532)
Credit balance written back	**(1,515,421)**	--
Gain on derecognition of right-of-use asset and lease liabilities (net)	**(1,176,982)**	(1,452,570)
Provision/(reversal of provision) for slow-moving inventories	**47,010**	(5,794,426)
Provision for impairment of other receivables	**2,923,099**	--
Provision for staff end-of-service benefits	**543,059**	439,111
	23,318,013	(13,649,992)
Changes in:		
- Inventories	**(104,542,306)**	(108,181,118)
- Trade and other receivables	**(84,637,427)**	62,238,634
- Other current assets	**1,065,882**	9,687,569
- Trade and other payables	**25,894,487**	(150,350)
- Other current liabilities	**2,703,857**	(1,802,248)
- Other financial liabilities	**19,875,310**	20,595,191
Staff end-of-service benefits paid	**(268,008)**	(48,337)
Net cash used in operating activities	**(116,590,192)**	(31,310,651)
Cash flows from investing activities		
Payments for property, plant and equipment	**(1,463,742)**	(3,098,518)
Payments to related parties (net)	**(7,151,753)**	(2,747,957)
Interest received	**243,280**	64,478
Payments for intangible assets	**--**	(1,118,569)
Net cash used in investing activities	**(8,372,215)**	(6,900,566)
Cash flows from financing activities		
Issue of share capital	**--**	18,350,000
Payment of lease liabilities	**(7,360,486)**	(15,105,195)
Receipts from bank loans	**462,000,500**	304,083,000
Re-payments of bank loans	**(304,083,000)**	(231,306,540)
Payment of bank overdraft (net)	**(244,754)**	(103,962,012)
Receipt of loan from shareholder	**227,695,000**	91,802,500
Repayment of loan to shareholder	**(224,012,500)**	--
Payments to related parties (net)	**(10,341,830)**	(10,725,653)
Interest paid	**111,588**	(15,731,159)
Net cash from financing activities	**143,764,518**	37,404,941
Net increase/(decrease) in cash and cash equivalents	**18,802,111**	(806,276)
Cash and cash equivalents at beginning of the year	**4,181,161**	4,987,437
Cash and cash equivalents at end of the year (note 13)	**22,983,272**	4,181,161

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.

AUDITORS PKF U.A.E.

1. **REPORTING ENTITY**

a) **TITAN GLOBAL RETAIL L.L.C** (the "Company") is a limited liability company registered in Dubai, United Arab Emirates, with commercial license number 868455, in accordance with the provisions of UAE Federal Law No. (2) of 2015, as amended (repealed by UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended). The registered office address is P.O. Box 371304, Dubai UAE. The Company was registered on 15 December 2019.

b) The Company was registered on 15 December 2019 and operates through its branches located in Dubai, Abu Dhabi and Sharjah, Ras Al Khaimah, Umm Al Quwain and Ajman. Accordingly, these financial statements include the assets, liabilities and the business results of the branches.

c) The principal activity of the Company is retail trading and business-to-business (B2B) sales of jewellery, watches, spectacles and precious stones.

d) The parent company is Titan Holdings International FZCO, a company incorporated in Dubai, UAE and the ultimate parent company is Titan Company Limited, a public listed company having its registered office in Bangalore, India.

2. **BASIS OF PREPARATION**

a) **Statement of compliance**

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning 1 April 2025 and the requirements of UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended.

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.

AUDITORS PKF U.A.E.

As at 31 March 2026, the Company's losses aggregated to AED 99,380,162, its current liabilities exceeded its current assets by AED 99,991,290 and it had a net deficit of AED 80,195,886 in equity. 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 parent company and the ultimate parent company 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.

Further, since the losses of the Company exceeded 50% of the share capital, as required by Article 308 of the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended, the Managers referred the matter in the General Meeting in which the shareholder resolved that the Company shall continue its operations.

d) **Adoption of new standards**

Standards, amendments, improvements and interpretations effective for the current period

The following amendment which became effective for current period, did not have any significant impact on the Company's financial statements:

- Amendments to IAS 21 – Lack of Exchangeability.

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

The following standards, amendments, improvements and interpretations 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 the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7) (1 January 2026).
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) (1 January 2026).
- Annual Improvements to IFRS Accounting Standards—Volume 11 (1 January 2026).
- IFRS 18 Presentation and Disclosures in Financial Statements (1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027)

e) **Functional and presentation currency**

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

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted, and which have been consistently applied, 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-assets	1-8 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 (k) 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 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 income/expenses' in profit or loss.

b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The cost of computer software is amortised over 3 years.

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

AUDITORS PKF U.A.E.

c) **Impairment of tangible and intangible assets**

At each reporting date, the management reviews the carrying amounts of its tangible assets (including right-of-use assets) and intangible 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.

d) **Value added tax**

As per the Federal Decree-Law No. (08) of 2017 and its amendments, 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 pays Value Added Tax (VAT) on every taxable supply and deemed supply, in accordance with the applicable commercial VAT laws. Non-recoverable input VAT is charged to the relevant expenditure category or included in costs of non-current assets. The Company files its VAT returns and computes the payable tax (which is output tax less input tax) for the allotted tax periods and deposits 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 separate 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.

AUDITORS PKF U.A.E.

e) **Income and deferred tax**

Tax expense for the year comprises of current income tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the federal tax authorities on the taxable profits after considering tax allowances and exemptions and applying the applicable tax rates and laws. Deferred tax is recognised on the temporary differences between the accounting base and the tax base for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

Deferred tax is recognised using the balance sheet approach. Deferred tax assets and liabilities are recognised for non-deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

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

Current tax and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the recognised amount and there is an intention to settle the asset and liability on a net basis.

f) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of jewellery is arrived at using specific identification method. Cost of watches and eyewear is arrived at using weighted average cost (WAC) 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 disposal.

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.

g) **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 basic 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.

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Defined contribution plan

U.A.E national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to Federal Labour Law no. 7 of 1999 and Federal Labour Law no. 57 of 2023. As per the requirements of Federal Law no. 7 of 1999, the Company is required to contribute 15% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees are required to contribute 5% of the "contribution calculation salary" to the scheme. However, as per Federal Decree Law no. 57 of 2023, the employees registered after 31 October 2023 for the first time with General Pension and Social Security Authority (GPSSA) shall contribute 11% of the "contribution calculation salary" to the scheme. If the "contribution calculation salary" is less than AED 20,000, the employer's contribution will be restricted to 12.5% and the remaining 2.5% will be contributed by the Government. The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to profit or loss.

h) **Statutory reserve**

In accordance with the UAE Federal Decree Law No. (32) of 2021 on Commercial Companies, as amended, the Company is required to establish a statutory reserve by appropriation of 5% of net profit until the reserve equals 50% of the share capital. The shareholder 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.

i) **Revenue recognition**

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

Revenue from contracts with customers is recognised when the control of the goods or services 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 or services.

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.

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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.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. 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

The Company has concluded that revenue from sale of goods should be recognised at a point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

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 significant financing components and consideration payable to the customers.

i) Significant financing component

The Company receives short-term advance from its customers. As the period between the transfer of promised goods or services to the customer and when the customer pays for those goods or services is expected to be less than one year, the Company has used the practical expedient in IFRS 15 and not adjusted the consideration for significant financing component.

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ii) Customer loyalty programmes

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative standalone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

j) **Interest income**

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

k) **Leases**

The Company leases office space. Rental contracts are typically made for period ranging from 1 to 8 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenant, however leased assets are not used as security for borrowing purposes.

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 lease payments made at or before the commencement date less any lease incentives received; and
- any initial costs and
- restoration 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.

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:

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- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Company; and
- 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 and uses the incremental borrowing rate at the commencement date of the lease if the profit rate implicit in the lease is not readily determinable. 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.

l) **Cash and cash equivalents**
Cash and cash equivalents comprise cash, bank 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.

m) **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.

n) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except those that are attributable to the acquisition and construction of an asset that necessarily takes a substantial period to get ready for its intended use ("qualifying asset"). Such borrowing costs are capitalised as part of the related qualifying asset up to the date the qualifying asset is ready for use.

o) **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.

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.

q) **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.

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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,
- The Company does not have the right at the end of the reporting period 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.

r) **Financial instruments**

Classification

On initial recognition, a financial asset is classified as measured at: amortised cost; debt investment at fair value through other comprehensive income; equity investment at fair value through other comprehensive income; or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial 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 fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. This assessment is referred to as the solely payments of principal and interest 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 fair value through profit or loss 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.

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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 fair value through profit or loss, transaction costs that are directly attributable to its acquisition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income or at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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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.

Interest income, 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, due from related parties 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 fair value through profit or loss.

Financial liabilities at amortised cost
Financial liabilities at amortised cost comprise of trade and other payables, lease liabilities (current and non-current), due to related parties, short term borrowings and loan from shareholder.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Financial liabilities at fair value through profit or loss consists of derivative financial liabilities

Impairment of financial assets
The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses 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 expected credit loss: expected credit loss that result from possible default events within 12 months after the reporting date; and
- Lifetime expected credit loss: expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

- 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 expected credit losses. 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 expected credit losses, 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 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 90 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 expected credit losses 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 fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income, 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.

s) **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 price 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

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- 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.

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.

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

t) **Fair value measurement**

The Company measures financial instruments, such as financial liabilities 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:

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- 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).

u) **Events after the reporting period**

If the Company receives information after the reporting period, but prior to the date of authorisation for issue of the financial statements, about conditions that existed at the end of the reporting period, it assesses whether the information affects the amounts that it recognises in its financial statements. The Company adjusts the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company does not change the amounts recognised in its financial statements, but discloses the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

4. JUDGEMENTS EMPLOYED IN APPLYING ACCOUNTING POLICIES

Following are the judgments made in applying accounting policies, that affect the application of the Company's accounting policies and the amounts recognised in the financial statements:

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) and intangible 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.

The Company applies expected credit loss model to measure loss allowance in case of financial assets on the basis of 12-month expected credit loss or Lifetime expected credit loss depending on credit risk characteristics and how changes in economic factors affect expected credit loss, 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.

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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.

The right-of-use assets and lease liabilities recognised are mainly determined based on the Company's expected lease renewal terms derived primarily from the Company's long-term business plans.

Discounting of lease payments
The lease payments are discounted using the Company's incremental borrowing rate ("IBR"), which ranges from 4.11% to 6.96%, 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
For sale of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods

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.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

Following are the 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management. Revisions to estimates are recognised prospectively.

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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 (including goods-in-transit), stated at AED 450,859,316 (previous year AED 346,317,010) 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 instruments
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(t).

Impairment
Assessments of net recoverable amounts of property, plant and equipment (including right-of-use assets) and intangible 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 period. Details of the key assumptions and inputs used are disclosed in note 3(r).

Income tax
Significant judgments are involved in determining the provision for income tax, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Deferred tax
Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, at the tax rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

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Staff end-of-service benefits

The Company computes the provision for the liability to staff end-of-service benefits stated at AED 1,224,249 (previous year AED 949,198), 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.

Revenue recognition - Estimating stand-alone selling price – Loyalty programme

The Company estimates the stand-alone selling price of the loyalty points awarded under the programme. The stand-alone selling price of the loyalty points issued is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate, the Company considers breakage which represents the portion of the points issued that will never be redeemed. The Company applies statistical projection methods in its estimation using customers' historical redemption patterns as the main input. The redemption rate is updated monthly and the liability for the unredeemed points is adjusted accordingly.

In estimating the value of the points issued, the Company considers the mix of products that will be available in the future in exchange for loyalty points and customers' preferences. The Company ensures that the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption (i.e., the value of each point is equivalent to the stand-alone selling price of any products eligible for redemption divided by number of points required). Any significant changes in customers' redemption patterns will impact the estimated redemption rate.

Going concern assessment

As at the reporting date, the Company's losses aggregated to AED 99,380,162, which is more than 50% of its share capital, and its current liabilities exceeded its current assets by AED 99,991,290 and it had a net deficit of AED 80,195,886 in equity. 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 Decree Law No. (32) of 2021 on Commercial Companies, as amended, the shareholder resolved to continue its operations in the General Meeting.

Geopolitical uncertainty

The Company operates in an environment affected by ongoing geopolitical developments. Management has assessed the potential impact on operations and financial position and concluded that, as at the reporting date, there is no material effect. The situation continues to be monitored, and actual results may differ from the judgments and estimates reflected in these financial statements.

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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 2024	1,083,011	38,077,163	595,757	1,373,889	7,103,246	1,629,719	49,862,785
Additions	3,098,518	7,075,843	--	--	--	--	10,174,361
Adjustment on lease modification (net)	--	1,837,247	--	--	--	--	1,837,247
Adjustment on de-recognition	--	(4,258,359)	--	--	--	--	(4,258,359)
Transfer	(2,614,330)	--	308,440	374,466	1,448,627	482,797	--
At 31 March 2025	1,567,199	42,731,894	904,197	1,748,355	8,551,873	2,112,516	57,616,034
Additions	1,223,342	708,956	77,671	--	--	162,729	2,172,698
Adjustment on de-recognition	--	(13,912,337)	--	--	--	--	(13,912,337)
Transfer	(395,155)	--	--	--	395,155	--	--
At 31 March 2026	**2,395,386**	**29,528,513**	**981,868**	**1,748,355**	**8,947,028**	**2,275,245**	**45,876,395**
Accumulated depreciation							
At 1 April 2024	--	11,447,668	302,419	286,502	1,992,861	379,067	14,408,517
Depreciation	--	9,233,240	179,711	327,464	1,606,754	409,725	11,756,894
Adjustment on de-recognition	--	(667,978)	--	--	--	--	(667,978)
At 31 March 2025	--	20,012,930	482,130	613,966	3,599,615	788,792	25,497,433
Depreciation	--	9,022,463	191,734	306,882	1,651,336	419,191	11,591,606
Adjustment on de-recognition	--	(7,563,862)	--	--	--	--	(7,563,862)
At 31 March 2026	**--**	**21,471,531**	**673,864**	**920,848**	**5,250,951**	**1,207,983**	**29,525,177**
Carrying amount							
At 1 April 2024	1,083,011	26,629,495	293,338	1,087,387	5,110,385	1,250,652	35,454,268
At 31 March 2025	1,567,199	22,718,964	422,067	1,134,389	4,952,258	1,323,724	32,118,601
At 31 March 2026	**2,395,386**	**8,056,982**	**308,004**	**827,507**	**3,696,077**	**1,067,262**	**16,351,218**

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a) Capital work-in-progress represent payment made towards civil work and renovation of stores. Related capital commitments are disclosed in note 31.

b) It represents leasehold interest in retail stores premises capitalised as right-of-use assets. The leases are for period ranging from 1 to 8 years.

7. INTANGIBLE ASSETS

	Computer software AED
Cost	
At 1 April 2024	566,393
Additions	1,118,569
At 31 March 2025 and 31 March 2026	**1,684,962**
Accumulated amortisation	
At 1 April 2024	67,964
Amortisation	413,078
At 31 March 2025	481,042
Amortisation	561,598
At 31 March 2026	**1,042,640**
Carrying amount	
At 1 April 2024	498,429
At 1 March 2025	1,203,920
At 31 March 2026	**642,322**

8. DEFERRED TAX ASSETS

	2026 AED	2025 AED
The balance comprises temporary differences attributable to:		
Tax losses	**4,890,605**	2,205,451
Disallowed interest expense allowable for carry forward	**143,872**	1,908,920
Total	**5,034,477**	4,114,371
Movement of deferred tax asset		
Opening balance	**4,114,371**	--
Benefit recognised	**920,106**	4,114,371
Closing balance	**5,034,477**	4,114,371

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		2026	2025
		AED	AED
9.	**INVENTORIES**		
	Goods held-for-sale:		
	Jewellery	**435,167,411**	339,282,022
	Watches	**9,474,344**	5,498,555
	Eyewear	**2,180,066**	1,536,433
		446,821,821	346,317,010
	Less: Provision for slow-moving inventories	**(8,876,732)**	(8,829,722)
		437,945,089	337,487,288
	Goods in transit	**4,037,495**	--
		441,982,584	337,487,288
	A reconciliation of the movements in the provision for slow-moving inventories is as follows:		
	Opening balance	**8,829,722**	14,624,148
	Provision made during the year	**47,010**	--
	Provision no longer required written back	**--**	(5,794,426)
	Closing balance	**8,876,732**	8,829,722
	An age analysis of inventories as at the reporting date is as follows:		
	0-90 days	**77,679,102**	120,242,014
	91-180 days	**165,422,491**	95,852,544
	181-365 days	**80,018,282**	47,455,047
	Over 365 days	**123,701,946**	82,767,405
		446,821,821	346,317,010
10.	**TRADE AND OTHER RECEIVABLES**		
	Trade receivables	**96,425,158**	12,027,018
	Deposits[(a)]	**2,658,399**	2,930,507
		99,083,557	14,957,525
	Other receivables	**7,102,211**	6,590,816
	Less: allowance for expected credit losses	**(2,923,099)**	--
		4,179,112	6,590,816
		103,262,669	21,548,341
	Disclosed under:		
	Non-current assets	**1,029,438**	1,616,471
	Current assets	**102,233,231**	19,931,870
		103,262,669	21,548,341

(a) Deposits amounting to AED 1,029,438 (previous year AED 1,616,471) pertains to long term leases. Accordingly, these have been classified under non-current asset.

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An age analysis of trade receivables as at the reporting date is as follows:

	2026 AED	2025 AED
0 to 1 month	78,277,931	--
1 to 3 months	17,531,233	--
3 to 6 months	615,994	5,745,954
6 months to 1 year	--	4,227
Over 1 year	--	6,276,837
	96,425,158	12,027,018

A reconciliation of the movements in the allowance for expected credit losses on other receivables is as follows:

Opening balance	--	--
Provision made during the year	2,923,099	--
Closing balance	2,923,099	--

The Company does not hold any collateral against trade receivables (previous year Nil).

The information about credit exposure is disclosed in note 30.

11. OTHER CURRENT ASSETS

Prepayments	1,630,095	1,283,929
Advances for goods and services	2,279,722	1,282,954
VAT receivables (net)	--	893,395
	3,909,817	3,460,278

12. 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.

Related parties comprise the parent company, ultimate parent company and companies under common ownership and/or common management control.

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

	Parent company	Ultimate parent company	Companies under common ownership and/or common management control	Total 31.03.2026	Total 31.03.2025
	AED	AED	AED	AED	AED
Included in trade receivables	--	--	92,264,813	92,264,813	
	2,000	--	11,926,028		11,928,028
Included in trade payables	422,154	40,778,459	1,009,797	42,210,410	
	--	7,520,395	341,146		7,861,541
Due from related parties	256,780	6,257,876	5,218,990	11,733,646	
	--	--	4,581,893		4,581,893
Due to related parties	--	--	--	--	
	4,859,244	5,482,586	--		10,341,830
Loan from shareholder	95,485,000	--	--	95,485,000	
	91,802,500	--	--		91,802,500
Included in advance from customers	276,026	--	--	276,026	
	--	--	--		--

All balances are unsecured and are expected to be settled in cash. Repayment and other terms are set out in notes 17 and 30.

a) The balances due from/ due to related parties are unsecured, interest-free and are repayable on demand. The ultimate parent company have provided guarantees against amounts due from related parties.

Significant transactions with related parties during the year were as follows:

	Parent company	Ultimate parent company	Companies under common ownership and/or common management control	Total 31 .03.2026	Total 31 .03.2025
	AED	AED	AED	AED	AED
Sales	110,612	--	311,573,407	311,684,019	
	--	--	125,001,485		125,001,485
Purchases	238,792	422,584,711	--	422,823,503	
	--	252,169,793	--		252,169,793
Finance costs	2,958,477	--	--	2,958,477	
	4,859,245	4,915,726	--		9,774,971
Interest Income	--	--	--	--	
	--	--	3,385,054		3,385,054
Commission expense on corporate guarantee	--	--	--	--	
	--	345,625	--		345,625
Professional and service charges (shared services)	--	1,236,441	--	1,236,441	
	--	410,315	--		410,315

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	Parent company	Ultimate parent company	Companies under common ownership and/or common management control	Total 31 .03.2026	Total 31 .03.2025
	AED	AED	AED	AED	AED
Development fees	--	13,611,075	--	13,611,075	
	--	--	--		--
Support fees	--	--	214,319	214,319	
	--	--	--		--
Recharge of cost to	157,159	--	--	157,159	
related parties	--	--	--		--
Recharge of finance cost	--	19,868,951	--	19,868,951	
	--	--	--		--

		2026 AED	2025 AED
13.	**CASH AND CASH EQUIVALENTS**		
	Cash on hand	139,320	2,371,427
	Bank balance in:		
	Current accounts	6,317,702	1,809,734
	Fixed deposits	16,526,250	--
		22,983,272	4,181,161

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the Central Bank of the UAE. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting year at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting year are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

14.	**SHARE CAPITAL**		
	Issued and paid up		
	18,650 shares of AED 1,000 each held by Titan Holdings International FZCO, Dubai, UAE	18,650,000	18,650,000
15.	**PROVISION FOR STAFF END-OF-SERVICE BENEFITS**		
	Opening balance	949,198	558,424
	Provision made during the year	543,059	439,111
	Paid during the year	(268,008)	(48,337)
	Closing balance	1,224,249	949,198
16.	**LEASE LIABILITIES**		
	Lease liabilities for long-term lease of retail store space	5,690,934	19,046,008

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Disclosed in the statement of financial position as follows:

	2026	2025
	AED	AED
Non-current liabilities	2,037,802	10,012,014
Current liabilities	3,653,132	9,033,994
	5,690,934	19,046,008

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

Opening balance	19,046,008	28,922,297
Additions for the year	708,956	7,075,843
Adjustment on lease modification	--	904,473
Adjustment on de-recognition	(7,525,457)	(4,110,177)
Finance cost for the year	821,913	1,358,767
Payments made during the year	(7,360,486)	(15,105,195)
Closing balance	5,690,934	19,046,008

A maturity analysis of undiscounted lease liabilities is as follows:

0 – 6 months	3,700,067	4,194,100
6 months – 1 year	741,821	6,243,719
1 year – 5 years	1,395,251	11,354,084
	5,837,139	21,791,903

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

Lease payments due	5,837,139	21,791,903
Less: Finance cost on leases	(146,205)	(2,745,895)
Disclosed in the statement of financial position	5,690,934	19,046,008

17. LOAN FROM SHAREHOLDER

Opening balance	91,802,500	--
Receipt during the year	227,695,000	91,802,500
Loan repaid during the year	(224,012,500)	--
Closing balance	95,485,000	91,802,500

Loans from shareholder comprise of unsecured loans received from the parent company of AED 95,485,000 (previous year AED 91,802,500) at fixed interest-rate of 5.11% per annum (previous year 7.10% per annum) repayable on demand.

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		2026 AED	2025 AED
18.	**SHORT-TERM BORROWINGS**		
	Bank overdrafts	--	244,754
	Bank loans	462,000,500	304,083,000
		462,000,500	304,327,754
	An analysis by bank of amount outstanding is as follows		
	Standard Chartered Bank[a]	--	244,754
	Deutsche Bank AG[b]	23,871,250	11,017,500
	DBS Bank Ltd[c]	183,625,000	183,625,000
	HDFC Bank[c]	254,504,250	109,440,500
		462,000,500	304,327,754

(a) The bank overdraft of previous year was obtained from Standard Chartered Bank and is secured by the letter of comfort issued by the ultimate parent company.

(b) This represents a short-term credit facility obtained from Deutsche Bank AG in the form of Post Import Finance. This facility is repayable on 23 April 2026 and is therefore classified as a short-term borrowing. This loan is secured by the letter of comfort issued by the ultimate parent company.

(c) These represent short-term credit facilities obtained in the form of revolving short term loan facilities. These loans are repayable in the months of May and June 2026 and are therefore classified as short-term borrowings. These loans are secured by the letter of comfort issued by the ultimate parent company.

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

	2026 AED	2025 AED
Overdrafts	--	244,754
0 - 1 months	278,375,500	11,017,500
1 – 3 months	183,625,000	293,065,500
	462,000,500	304,327,754

19.	**TRADE AND OTHER PAYABLES**		
	Trade payables	53,830,921	27,908,812
	Accrued interest	1,049,999	965,147
	Other accruals	7,030,131	7,031,017
		61,911,051	35,904,976

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

		2026	2025
		AED	AED
20.	**OTHER CURRENT LIABILITIES**		
	Advance from customers	**3,945,432**	1,975,358
	VAT payable (net)	**145,995**	--
	Employee related payables	**1,358,580**	1,335,110
	Other liabilities	**1,916,578**	1,352,260
		7,366,585	4,662,728
21.	**OTHER FINANCIAL LIABILITIES**		
	Financial liabilities at fair value through profit or loss (FVTPL):		
	Derivative instruments	**52,417,572**	32,542,262

The Company enters into forward commodity contracts to economically hedge its exposure to fluctuations in gold prices arising from its trading activities, and accordingly, these derivative instruments are recognised at fair value through profit or loss (FVTPL), with changes in fair value recognised in the statement of profit or loss.

These instruments are disclosed under current liability since the settlement date is within twelve months from the reporting date.

22. **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 Decree Law No. (32) of 2021 on Commercial Companies, as amended 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 Managers referred 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, to limit bank borrowings within covenants and according to the business requirements and maintain capital at desired levels.

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23. 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 and timing of the Company's revenue and cash flows.

	2026 AED	2025 AED
Primary Geographical segments		
- American countries	**206,106,739**	116,567,407
- United Arab Emirates	**622,470,646**	358,488,198
- Other Middle East countries	**34,338,772**	14,437,507
- Other Asian countries	**18,950,999**	14,303,288
	881,867,156	503,796,400
Type of goods		
Trading		
- Jewellery	**854,849,949**	485,703,507
- Watches	**20,161,279**	14,577,069
- Spectacles	**6,855,928**	3,515,824
	881,867,156	503,796,400
Customer segment		
- B2B sales	**516,046,525**	244,887,508
- Retail sales	**365,820,631**	258,908,892
	881,867,156	503,796,400
Timing of revenue recognition		
- At a point in time	**881,867,156**	503,796,400

24. COST OF SALES

Purchases (including other direct costs)	**766,308,652**	514,970,769
Loss on hedging (net)[(a)]	**102,346,094**	30,782,929
Changes in inventories	**(100,504,811)**	(108,181,118)
Freight inwards	**1,984,356**	1,386,830
	770,134,291	438,959,410

(a) The Company uses commodity derivative contracts to economically hedge the price risk associated with its jewellery trading activities.

		2026 AED	2025 AED
25.	**OTHER INCOME**		
	Reversal of provision for slow-moving inventories (net)	--	5,794,426
	Gain on modification of lease	--	932,774
	Gain on derecognition of lease	1,176,982	519,796
	Credit balance written back	1,515,421	--
	Net exchange gain	354,184	380,888
	Support fees	214,319	--
	Miscellaneous income	184,044	25,038
		3,444,950	7,652,922
26.	**ADMINISTRATIVE AND SELLING EXPENSES**		
	Staff salaries and benefits	20,972,483	20,812,520
	Staff end-of-service benefits	543,059	439,111
	Depreciation of property, plant and equipment	11,591,606	11,756,894
	Amortisation of intangible assets	561,598	413,078
	Advertising and publicity expenses	21,452,242	30,017,591
	Travel expenses	736,713	1,338,270
	Provision for slow-moving inventories	47,010	--
	Short-term lease expenses	4,188,604	3,358,549
	Recruitment expenses	574,094	778,060
	Credit card commission	4,123,770	3,122,815
	Operator charges	13,066,448	8,759,822
	Registration and license fees	2,041,109	1,433,171
	Insurance expenses	237,860	296,683
	Professional and legal charges	1,109,428	1,549,473
	Telephone expense	620,932	478,053
	Repairs and maintenance expenses	372,290	175,136
	Power fuel and water charges	404,138	299,619
	Bank charges	456,380	737,836
	Development fees[(a)]	13,611,075	--
	Other expenses	5,356,992	5,735,310
		102,067,831	91,501,991
	Recharge of expense to related parties	(157,159)	--
		101,910,672	91,501,991

(a) Development fees represent recharges by a related party based on mutually agreed terms and conditions.

		2026	2025
		AED	AED
27.	**INTEREST INCOME**		
	On fixed deposits	**243,280**	64,478
	On overdue trade receivables	**--**	3,385,054
		243,280	3,449,532
28.	**FINANCE COSTS**		
	On lease liabilities	**821,913**	1,358,767
	On supplier balances	**--**	4,915,726
	On shareholder's loan	**2,958,477**	4,859,245
	On bank borrowings	**16,910,474**	16,696,306
		20,690,864	27,830,044
	Less: recharged to ultimate parent company	**(19,868,951)**	--
		821,913	27,830,044

29. **INCOME TAX BENEFIT**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023.

UAE CT Law specifies that a tax rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000.

Company part of a group with consolidated revenue of EUR 750 million or more

In current year, an amount of AED 5,034,477 has been recognized as deferred tax asset in accordance with the OECD Pillar Two model rules. These rules, issued in December 2021 by the Organisation for Economic Co-operation and Development (OECD) under the Global Anti-Base Erosion (GloBE) framework—part of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS)—are intended to ensure that large multinational enterprises (MNEs), with annual consolidated revenue of EUR 750 million or more at the ultimate parent entity level in at least two of the preceding four fiscal years, are subject to a minimum effective tax rate of 15% in each jurisdiction in which they operate.

This note provides an analysis of the Company's income tax expense and shows the amounts which are recognised directly in equity and the impact of tax expense which is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Company's tax position.

	2026	2025
	AED	AED
Income tax benefit:		
Deferred tax benefit (net)	**920,106**	4,114,371

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		2026	2025
		AED	AED
Relationship between tax expenses and accounting profits:			
Profit/(loss) before tax for the year		**9,765,411**	(43,392,591)
Less: Brought forward disallowed interest expense		**(11,421,367)**	--
Add: Disallowed expenses		**17,160**	28,689,586
Tax loss for the year		**(1,638,796)**	(14,703,005)

(a) A reconciliation of the movements in the tax losses eligible for carry forward and set off:

Opening balance		**14,703,005**	--
Tax losses pertaining to prior year claimed in current year		**16,262,234**	
Tax losses for the year		**1,638,796**	14,703,005
Closing balance		**32,604,035**	14,703,005
Deferred tax benefit on tax losses for the year		**245,819**	2,205,451
Deferred tax benefit on tax losses of previous year		**2,439,335**	--
Deferred tax benefit for the year	(a)	**2,685,154**	2,205,451

(b) A reconciliation of the movements in the disallowed interest expenses carried forward is as follows:

Opening balance		**12,726,133**	--
Adjustment towards interest expense not eligible for carry forward in current year		**(345,621)**	
Interest expense disallowed		**--**	12,726,133
Carry forward interest expense claimed as deduction in current year		**(11,421,367)**	--
Closing balance		**959,145**	12,726,133
Deferred tax benefit on interest expense for the year		**--**	1,908,920
Deferred tax expense on adjustment to interest expense of previous year		**(51,843)**	--
Deferred tax expense on utilisation of carry forward interest expense		**(1,713,205)**	--
Deferred tax (expense)/benefit for the year	(b)	**(1,765,048)**	1,908,920

(c)	Deferred tax benefit for the year	(a)	**2,685,154**	2,205,451
	Deferred tax (expense)/benefit for the year	(b)	**(1,765,048)**	1,908,920
	Deferred tax benefit (net)		**920,106**	4,114,371

30. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Classification and fair values

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

	Fair value through profit or loss		At amortised cost	
	2026	2025	**2026**	2025
	AED	AED	**AED**	AED
Financial assets				
Trade and other receivables	--	--	**103,262,669**	21,548,341
Due from related parties	--	--	**11,733,646**	4,581,893
Cash and cash equivalents	--	--	**22,983,272**	4,181,161
	--	--	**137,979,587**	30,311,395
Financial liabilities				
Loan from shareholder	--	--	**95,485,000**	91,802,500
Short term borrowings	--	--	**462,000,500**	304,327,754
Trade and other payables	--	--	**61,911,051**	35,904,976
Due to related parties	--	--	--	10,341,830
Other financial liabilities	**52,417,572**	32,542,262	--	--
Lease liabilities (current and non-current)	--	--	**5,690,934**	19,046,008
	52,417,572	32,542,262	**625,087,485**	461,423,068

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, due from related parties, loan from shareholder, trade and other payables, current lease liabilities, due to related parties and bank borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

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.

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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	
	2026	2025	2026	2025	2026	2025	2026	2025
	AED	AED	AED	AED	AED	AED	AED	AED
Other financial liabilities	--	--	52,417,572	32,542,262	--	--	52,417,572	32,542,262

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 minimising 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.

AUDITORS PKF U.A.E.

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts, trade and other receivables and amount due from related parties.

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 and related parties taking into account their financial position, past experience and other factors. Based on the assessment individual risk limits are determined.

At the reporting date, 94% of trade receivables was due from three related party customers (previous year 99% of trade receivables was due from two related party customers).

At the reporting date, the Company's trade receivable balances are from customers engaged in similar business in which the Company operates.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables, which comprise a number of balances. Loss rates are calculated using a 'flow rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Flow rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

Based on the assessment, the management believes that no impairment provision is required under IFRS 9.

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 Company'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.

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	Less than one year		One to five years		Total	
	2026	2025	2026	2025	2026	2025
	AED	AED	AED	AED	AED	AED
Short term borrowings	462,000,500	304,327,754	--	--	462,000,500	304,327,754
Loan from shareholder	95,485,000	91,802,500	--	--	95,485,000	91,802,500
Trade and other payables	61,911,051	35,904,976	--	--	61,911,051	35,904,976
Due to related parties	--	10,341,830	--	--	--	10,341,830
Lease liabilities	4,441,888	10,437,819	1,395,251	11,354,084	5,837,139	21,791,903
	623,838,439	452,814,879	1,395,251	11,354,084	625,233,690	464,168,963

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 Company'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.

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.

Loan from shareholder and fixed deposits are subject to fixed interest rates at levels generally obtained in the UAE and are therefore exposed to fair value interest rate risk. Bank overdraft and bank loans are subject to floating interest rates at levels generally obtained in the UAE or are linked to SOFR 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 4,620,005 higher or lower (previous year AED 3,043,278) resulting in equity being lower or higher by AED 4,620,005 (previous year AED 3,043,278).



		2026 AED	2025 AED
31.	**CAPITAL COMMITMENTS** For enhancement of property, plant and equipment [note 6(a)]	1,020,846	57,353

32. **COMPARATIVE INFORMATION**

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

33. **SIGNIFICANT EVENTS – CURRENT ONGOING CONFLICT IN THE WEST ASIA REGION**

The ongoing geopolitical conflict in the West Asia Region have introduced a degree of uncertainty in the Global and regional environment. The region may experience indirect impacts arising from these developments. The Company has assessed the potential implications of the situation on its operations and financial performance as at the reporting date.

Potential risk that may arise include fluctuations in oil prices, disruptions to supply chain, increased transportation/insurance cost which could have an impact on the Company's operations in the future periods. While there is no material direct impact on the Company's financial statements for the current reporting period, the management continues to closely monitor the situations in the region.

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

Kuruvilla Markose
Authorised signatory

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