KALYAN JEWELLERS W.L.L.
DOHA – QATAR

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR’S REPORT
FOR THE YEAR ENDED
MARCH 31, 2021

KALYAN JEWELLERS W.L.L.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the year ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To The Shareholders
Kalyan Jewellers W.L.L.
Doha-Qatar

Opinion

We have audited the financial statements of Kalyan Jewellers W.L.L. (the "Company"), which comprise the statement of financial position as at March 31, 2021, 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 a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISA's, we exercise professional judgement 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 expressing an opinion on the effectiveness of the 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 achieves fair presentation.

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.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Kalyan Jewellers W.L.L., Doha-Qatar (continued)

Report on Other Legal and Regulatory Requirements

Further, as required by the Qatar Commercial Companies' Law, we report the following:

- We are also in the opinion that the Company maintained proper books of account and the physical inventory verification has been duly carried out.
- We obtained all the information and explanations, which we considered necessary for our audit.
- To the best of our knowledge and belief and according to the information given to us, except as mentioned below, no contraventions of the applicable provisions of Qatar Commercial Companies' Law and the Company's Articles of Associations were committed during the year, which would materially affect the Company's activities or its financial position.

The accumulated losses of the Company as of March 31, 2021 amounted to QR. 24,316,722 contravening the Qatar Commercial Companies' Law. The Law states that should the Company's losses exceed 50% of the capital of the Company, the partners should either dissolve the Company or increase its capital.

The Company has not convened an Annual General Meeting during the year as required by the Qatar Commercial Companies' Law No. 11 of 2015. Our appointment has been confirmed by management of the Company.

Doha – Qatar
July 15, 2021

For **Deloitte & Touche**
Qatar Branch

Midhat Salha
Partner
License No. 257

KALYAN JEWELLERS W.L.L.

STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	Notes	March 31, 2021 QR.	March 31, 2020 QR.
ASSETS			
Non-current assets			
Furniture, fixtures and equipment	5	**8,400,529**	10,222,497
Right-of-use-assets	6	**41,120,545**	44,677,333
Total non-current assets		**49,521,074**	54,899,830
Current assets			
Inventories	7	**78,213,409**	93,476,478
Due from a related party	8(a)	**68,702,088**	66,221,626
Trade receivables	9	**364,472**	936,582
Other receivables	9	**1,325,974**	3,348,230
Cash and bank balances	10	**13,854,607**	6,837,085
Total current assets		**162,460,550**	170,820,001
TOTAL ASSETS		**211,981,624**	225,719,831
EQUITY AND LIABILITIES			
Equity			
Share capital	1	**200,000**	200,000
Partner's current account		**104,850,276**	203,998,101
Accumulated losses		**(24,316,722)**	(26,680,462)
Net equity		**80,733,554**	177,517,639
Non-current liabilities			
Employees' end of service benefits	11	**354,138**	291,299
Lease liabilities	14	**218,097**	3,781,113
Total non-current liabilities		**572,235**	4,072,412
Current liabilities			
Trade payables		**8,140,702**	17,363,271
Lease liabilities	14	**2,789,131**	2,032,065
Bank borrowings	12	**-**	1,714,350
Loan from shareholder	8(c)	**99,127,361**	-
Due to a related party	8(b)	**7,186,938**	6,943,204
Accrued expenses and other liabilities	13	**13,431,703**	16,076,890
Total current liabilities		**130,675,835**	44,129,780
Total liabilities		**131,248,070**	48,202,192
TOTAL EQUITY AND LIABILITIES		**211,981,624**	225,719,831

These financial statements were approved and authorized by the partners for issue on July 15, 2021.

N. R. Venkatraman

Nasser Darwish A Mashhadi

Kalyan Jewellers L.L.C

DELOITTE & TOUCHE
Doha-Qatar
15 JUL 2021
Signed for Identification Purposes Only

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

KALYAN JEWELLERS W.L.L.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended March 31, 2021

	Notes	**March 31, 2021**	March 31, 2020
		QR.	QR.
Revenue	15	**121,575,047**	177,640,240
Cost of sales	16	**(95,891,520)**	(149,920,808)
		25,683,527	27,719,432
Other income		**1,378,413**	559,348
Depreciation	5	**(891,378)**	(1,050,707)
Amortization of right-of-use assets	6	**(4,254,225)**	(5,299,212)
General and administrative expenses	17	**(13,055,153)**	(20,312,949)
Finance costs	6, 8, 12	**(6,497,444)**	(631,590)
Profit for the year		**2,363,740**	984,322
Other comprehensive income		**--**	--
Total comprehensive income for the year		**2,363,740**	984,322

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

DELOITTE & TOUCHE
Doha-Qatar

15 JUL 2021

Signed for Identification
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KALYAN JEWELLERS W.L.L.

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2021

	Share capital	Partner's current account	Accumulated losses	Total
	QR.	QR.	QR.	QR.
Balance at April 1, 2019	200,000	203,998,101	(27,664,784)	176,533,317
Total comprehensive income for the year	--	--	984,322	984,322
Balance at March 31, 2020	200,000	203,998,101	(26,680,462)	177,517,639
Transfer to loan from shareholder	--	(99,147,825)	--	(99,147,825)
Total comprehensive income for the year	--	--	2,363,740	2,363,740
Balance at March 31, 2021	**200,000**	**104,850,276**	**(24,316,722)**	**80,733,554**

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

DELOITTE & TOUCHE
Doha-Qatar
15 JUL 2021
Signed for Identification
Purposes Only

KALYAN JEWELLERS W.L.L.

STATEMENT OF CASH FLOWS

For the year ended March 31, 2021

	Note	**March 31, 2021**	March 31, 2020
		QR.	QR.
OPERATING ACTIVITIES			
Profit for the year		**2,363,740**	984,322
Adjustment for:			
Depreciation of furniture, fixtures and equipment	5	**891,378**	1,050,707
Amortization of right-of-use assets	6	**4,254,225**	5,299,212
Provision for employees' end of service benefits	11	**109,137**	75,949
Gain on disposal of right of use assets (key money)		**-**	(500,000)
Loss on write-off of right-of-use assets	6, 14	**715,421**	-
Loss on disposal of furniture, fixtures and equipment		**1,132,649**	320,967
Provision for impairment of trade and other receivables		**223,854**	
Finance costs	6,12	**6,497,444**	631,590
		16,187,848	7,862,747
Changes in working capital:			
Inventories		**15,263,069**	(4,084,299)
Due from related parties		**(2,480,462)**	(17,992,512)
Trade receivables		**712,728**	(589,917)
Advances, prepayments and other receivables		**1,657,784**	12,362,333
Trade payables		**(9,222,569)**	4,597,365
Due to related parties		**(5,951,726)**	6,943,204
Accrued expenses and other liabilities		**(2,645,187)**	756,388
Cash generated from operations		**13,521,485**	9,855,309
End of service benefits paid	11	**(46,298)**	(19,984)
Net cash generated from operating activities		**13,475,187**	9,835,325
INVESTING ACTIVITIES			
Purchase of furniture, fixtures and equipment	5	**(202,059)**	(187,103)
Proceeds from disposal of right of use assets (key money)		**-**	2,000,000
Acquisition of right of use assets (key money)	6	**-**	(7,688,710)
Net cash used in investing activities		**(202,059)**	(5,875,813)
FINANCING ACTIVITIES			
Bank borrowings	12	**(1,714,350)**	(2,175,155)
Lease payments	14	**(4,218,808)**	(5,731,940)
Finance costs paid		**(301,984)**	(164,846)
Payment against loan to shareholders		**(20,464)**	-
Net cash used in financing activities		**(6,255,606)**	(8,071,941)
Net increase/ (decrease) in cash and cash equivalents		**7,017,522**	(4,112,429)
Cash and bank balances at beginning of the year		**6,837,085**	10,949,514
Cash and bank balances at end of the year	10	**13,854,607**	6,837,085

Refer note 22 for the non-cash transactions.

This statement has been prepared by the Company and stamped by the Auditors for identification purposes only.

DELOITTE & TOUCHE
Doha-Qatar
15 JUL 2021
Signed for Identification
Purposes Only

1. GENERAL INFORMATION

Kalyan Jewellers W.L.L. (the "Company") is a limited liability Company registered in the State of Qatar under Commercial Registration No. 67939. The Registered Office of the Company is situated in Abdul Jaleel Center, 3rd Floor, Unit No-303, Najma Airport road, Doha-Qatar.

The Company is a retailer in jewellery and ornaments. The Company's ownership details are as follows:

Name	**Nationality**	**Amount QR.**	**%**
Nasser Darwish A Mashhadi	Qatari	102,000	51
Kalyan Jewellers L.L.C.	Emirati	98,000	49
		200,000	**100**

The Company is a subsidiary of Kalyan Jewellers L.L.C. (Intermediate Holding Company) and ultimate controlling party is Kalyan Jewellers India Ltd (the "Ultimate Parent Company").

1.1 Commercial Companies' Law

The accumulated losses of the Company as of March 31, 2021 amounted to QR. 24,316,722 (March 31, 2020: QR. 26,680,462) contravening the Qatar Commercial Companies' Law. The said law states that should the Company's losses exceed 50% of the capital of the Company, the partners should dissolve the Company or increase its capital. The partners will be jointly and severally responsible for the Company's liabilities.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and amended IFRSs Standards that are effective for the current year

2.1.1 Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID- 19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
c) There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Company has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.1 New and amended IFRSs Standards that are effective for the current year (continued)

2.1.1 Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16 (continued)

Impact on accounting for changes in lease payments applying the exemption

The Company has not applied the practical expedient to the rent concessions received and has applied the lease modification approach retrospectively that meets the criteria mentioned in para 16.45-46, and has not restated prior period figures.

2.1.2 Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7.

In September 2019, the IASB issued Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms. The amendments are relevant to the Company given that it applies hedge accounting to its benchmark interest rate exposures.

The application of the amendments does not have impacts on the Company's accounting.

2.2 New and amended IFRS applied with no material effect on the financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2020, have been adopted in these financial statements and have not had any material impact on the financial statements but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	**Effective for annual periods beginning on or after**
Definition of a Business - Amendments to IFRS 3 *Business Combinations* The Company has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.	January 1, 2020

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRS applied with no material effect on the financial statements (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Definition of a Business - Amendments to IFRS 3 *Business Combinations (continued)* The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after January 1, 2020.	January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards The Company has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.	January 1, 2020
Amendments to IAS 1 and IAS 8 Definition of material The Company has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term ‘material’ to ensure consistency.	January 1, 2020

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.2 New and amended IFRS applied with no material effect on the financial statements (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 7 Financial Instruments: Disclosures and IFRS 9 - Financial Instruments Amendments regarding pre-replacement issues in the context of the IBOR reform.	January 1, 2020
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 16 as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

2.3 New and amended IFRSs in issue but not yet effective and not early adopted

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	***Effective for annual periods beginning on or after***
IFRS 17 *Insurance Contracts*	January 1, 2023

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.
The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.
In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
IFRS 17 *Insurance Contracts (continued)*	January 1, 2023
IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	
IFRS 10 and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be set
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.	
Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*	January 1, 2023, Early application is permitted
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IFRS 3 *Reference to the Conceptual Framework*	January 1, 2022

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16 *Property, Plant and Equipment—Proceeds before Intended Use*	January 1, 2022

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

2.3 New and amended IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IAS 16 *Property, Plant and Equipment—Proceeds before Intended Use (continued)* The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	January 1, 2022
Amendments to IAS 37 *Onerous Contracts – Cost of Fulfilling a Contract* The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle *Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture*	January 1, 2022
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: – changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and – hedge accounting.	January 1, 2021

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company’s financial statements as and when they are applicable and adoption of these new standards, interpretations and amendment, may have no material impact on the financial statements of the Company in the period of initial application.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and applicable provisions of Qatar Commercial Companies' Law.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below. These financial statements are presented in Qatari Riyal (QR), which is the Company's functional and reporting currency.

Furniture, fixtures and equipment

Furniture, fixtures and equipment are stated at cost less accumulated depreciation and any impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the asset. 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 item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is charged to statement of profit or loss on a straight-line method basis over the estimated useful lives of the assets.

The estimated useful lives, residual values and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.
The carrying values of furniture, fixtures and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of the fair value less costs to sell and their value in use.

Impairment of tangible assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of tangible assets (continued)

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 the statement of 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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of 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.

Foreign currencies

Transactions in foreign currencies are initially recorded at the approximate functional currency rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the approximate exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Provisions

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

The amount recognized 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 flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Employees' end of service benefits

A provision is made for employees end of service benefits which is payable on completion of employment. The provision is calculated in accordance with Qatari Labour Law based on employees' salary and accumulated period of service as at the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debit instruments designated at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Amortised cost and effective interest rate method (continued)

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "Other income" line item.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on trade receivables, due from a related party and bank balances that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables and due from a related party. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

<u>(i) Significant increase in credit risk</u>

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default;

(2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and,

(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

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

Financial liabilities measured subsequently at amortised cost

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities (continued)

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method for gold and gold ornaments measured in weight and specific costing method for diamonds. Cost includes expenditure incurred in acquiring the inventories, cost of production or conversion and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Provision is made for obsolete and slow-moving items based on management's judgment.

Contingent liabilities

Contingent liabilities are not recognised/recorded 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.

Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (continued)

The Company as a lessee (continued)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability and makes a corresponding adjustment to the related right-of-use asset whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Furniture, fixtures and equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at an amount that reflects the considerations, to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Company recognizes revenue when it transfers control over goods or services to its customers.

The stand-alone selling prices are determined based on the observable price at which the Company sells the products and services on a standalone basis. For items that are not sold separately the Company estimates standalone selling prices using other methods.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided they give evidence of conditions that existed at the reporting date. Any post year-end events that are non-adjusting are discussed on the financial statements when material.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments and estimates

The preparation of the financial statements in compliance with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Revenue recognition

Management considers recognizing revenue over time, if one of the following criteria is met, otherwise revenue will be recognized at a point in time:

a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;

b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) the Company's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements (continued)

Judgements in determining the timing of satisfaction of performance obligations

For performance obligations satisfied at a point in time, the Company considers the general requirements of control (i.e. direct the use of asset and obtain substantially all benefits) and the following non-exhaustive list of indicators of transfer of control:

- Entity has present right to payment
- Customer has legal title
- Entity has transferred legal possession
- Customer has significant risk and rewards
- Customer has accepted the asset

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue a going concern. Therefore, the financial statements are prepared on a going concern basis.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Critical judgements (continued)

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Shareholder Account

Management has considered the detailed criteria for the recognition of equity instrument in IAS 32: *Financial Instruments: Presentation*, and in particular whether the equity instrument i.e. shareholder account represents a residual interest in the assets of an entity after deducting all of its liabilities. Based on their assessment, management is satisfied that the recognition of the shareholder's account as an equity instrument is appropriate and is in the nature of equity.

Estimates

Impairment of tangible and intangible assets and useful lives

The Company's management assess whether there are indicators to suspect that tangible and intangible assets have suffered impairment in accordance with accounting policies stated in Note 3. The recoverable amount of an asset is determined based on value-in-use method. This method uses estimated cash flow projections over the estimated useful life of the asset discounted using market rates. The Company's management determines as well the useful lives and related depreciation charge. The depreciation charge for the year will change significantly if actual life is different from the estimated useful life of the asset.

Management assessed that the there are no indicators of impairment affecting the Company's tangible and intangible assets, and that the useful lives are reasonable.

Inventories

Inventories are stated at the lower of cost and net realisable value. Adjustments to reduce the cost of inventories to their realisable value are made at product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration and quality issues. Based on the above factors, the Company has arrived at certain percentages for allowance for slow moving and obsolete inventories. Revisions to these adjustments would be required if these factors differ from the estimates.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

4. CRITICAL JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimates (continued)

Assessment as to whether the right-of-use assets are impaired

In estimating the recoverable amount of the right-of-use asset, the management have made assumptions about the achievable market rates for similar properties with similar lease terms.

Recoverability of key money

In order to be able to operate from key locations in Qatar, the Company has paid key money in case of some retail stores. The Company's management believes that it will be able to fully recover the amount of key money when they exit from the retail store premises and therefore does not expect any write-offs on account of key money. This will therefore not have any adverse impact on the Company's future profitability.

Fair value measurements

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages qualified external valuers to perform the valuation. The management/valuation committee if any works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in respective notes.

Impact of COVID-19

In January 2020, the World Health Organization ("WHO") announced a global health emergency due to the outbreak of coronavirus ("COVID-19"). Based on the rapid increase in exposure and infections across the world, WHO, in March 2020, classified the COVID-19 outbreak as a pandemic. The pandemic nature of this disease has necessitated global travel restrictions and lockdowns in most countries of the world including the UAE, causing global disruption to business and economic activities.

Subsequent to the declaration of COVID-19 as a pandemic and government imposed lockdown in the State of Qatar during the year ended March 31, 2020. However, management has taken necessary actions including cost cutting measures to maintain its cash flows and is continuously reassessing its cash position.

The Company's management continues to closely monitoring the situation to manage the impact on its operations and financial performance. The Company's management has considered the impact of the COVID-19 pandemic in the calculation of the estimated credit loss allowances relating to the financial assets and in the impairment assessment on property, plant and equipment and right-of-use assets. Based on the assessment carried out, the recoverable amount of the assets have not declined below their carrying values as at March 31, 2021.

The unprecedented nature of the pandemic, the high degree of uncertainty related to its evolution, duration and impact on the economy in general and the trading business in particular, requires that the Company's management continue to monitor the situation and re-evaluating its critical judgements and estimates, as necessary

5. FURNITURE, FIXTURES AND EQUIPMENT

	Electrical equipment	Computer equipment	Furniture and fixtures	Motor vehicle	Total
	QR.	**QR.**	**QR.**	**QR.**	**QR.**
Costs:					
At March 31, 2019	2,686,744	663,414	14,060,553	330,764	17,741,475
Additions during the year	100,450	14,620	72,033	--	187,103
Disposals during the year	(401,678)	--	(369,935)	--	(771,613)
At March 31, 2020	2,385,516	678,034	13,762,651	330,764	17,156,965
Additions during the year	--	--	202,059	--	202,059
Disposals during the year	(878,388)	(9,500)	(1,272,905)	--	(2,160,793)
At March 31, 2021	**1,507,128**	**668,534**	**12,691,805**	**330,764**	**15,198,231**
Accumulated depreciation:					
At March 31, 2019	1,258,461	543,044	4,396,921	135,981	6,334,407
Charge for the year	202,040	79,454	743,221	25,992	1,050,707
Depreciation related to disposals	(239,238)	--	(211,408)	--	(450,646)
At March 31, 2020	1,221,263	622,498	4,928,734	161,973	6,934,468
Charge for the year	136,943	44,106	684,408	25,921	891,378
Depreciation related to disposals	(548,869)	(3,688)	(475,587)	--	(1,028,144)
At March 31, 2021	**809,337**	**662,916**	**5,137,555**	**187,894**	**6,797,702**
Carrying amounts:					
At March 31, 2021	697,791	5,618	7,554,250	142,870	8,400,529
At March 31, 2020	1,164,253	55,536	8,833,917	168,791	10,222,497
Depreciation rates	10%	33.33%	6.76%	10%	

6. RIGHT-OF-USE-ASSETS

The Company leases several retail shops. The average lease term is ranging between 2 years to 5 years.

	March 31, 2021	March 31, 2020
	QR.	QR.
Right-of-use assets:		
Opening	**55,195,502**	46,283,712
Additions	**2,041,484**	10,411,790
Renewal, termination, and modifications	**(3,533,082)**	(1,500,000)
March 31,	**53,703,904**	55,195,502
Depreciation:		
Opening	**10,518,169**	5,218,957
Charge for the year	**4,254,225**	5,299,212
Renewal, termination, and modifications	**(2,189,034)**	-
March 31,	**12,583,360**	10,518,169
Net carrying amount	**41,120,545**	44,677,333

Amounts recognised in statement of profit and loss:

Amortization of right-of-use assets	**4,254,225**	5,299,212
Finance cost on lease liabilities	**244,288**	466,744

Amount recognised in statement of cash flows:

Amortization of right-of-use assets	**4,254,225**	5,299,212
Finance cost on lease liabilities	**244,288**	466,744
Principal element of lease payments	**4,218,808**	5,731,940

7. INVENTORIES

	March 31, 2021	March 31, 2020
	QR.	QR.
Gold jewellery	**56,415,895**	69,798,974
Diamond jewellery	**21,797,514**	23,677,504
	78,213,409	93,476,478

8. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties, as defined in International Accounting Standard 24: Related *Party Disclosures*, include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

(a) Due from a related party

	Relationship	**March 31, 2021**	March 31, 2020
		QR.	QR.
Kalyan Jewellers FZE	Under common control	**68,702,088**	66,221,626
		68,702,088	66,221,626

Balance due from a related party is from a company which is under common control and this company is supported by the ultimate parent, Kalyan Jewellers India Limited, for any financial or liquidity issues. Hence, no expected credit losses were recorded on these balances as at March 31, 2021 (2020: nil).

(b) Due to a related party

	Relationship	**March 31, 2021**	March 31, 2020
		QR.	QR.
Kalyan Jewellers LLC	Shareholder	**7,186,938**	6,943,204
		7,186,938	6,943,204

(c) Loan from shareholder

	Relationship	**March 31, 2021**	March 31, 2020
		QR.	QR.
Kalyan Jewellers LLC	Shareholder	**99,127,361**	**-**
		99,127,361	**-**

Loan from shareholder pertains to funds received from Kalyan Jewellers LLC that were converted from partner’s current account to shareholder loan during the year. This loan carries interest at the rate of 6.5%. The fair value of the loan approximates its carrying value as the loan is payable on demand and is short term.

8. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(d) Transactions with related parties

During the year, the Company entered into the following transactions with related parties:

	March 31, 2021	March 31, 2020
	QR.	QR.
Brand sharing charges (Note 17)	**496,465**	3,491,429
Management fees (Note 17)	**496,465**	3,491,429
Finance Costs	**6,204,532**	-
Fund transfers	**-**	21,667,669

9. TRADE AND OTHER RECEIVABLES

	March 31, 2021	March 31, 2020
	QR.	QR.
Trade receivables	**588,326**	936,582
Less: provision for doubtful debts	**(223,854)**	-
Total trade receivables	**364,472**	936,582
Advance to suppliers	**897,800**	2,779,100
Deposits	**297,297**	340,262
Prepaid expenses	**130,877**	143,900
Total other receivables	**1,325,974**	3,348,230
Total	**1,690,446**	4,199,844

10. CASH AND BANK BALANCES

	March 31, 2021	March 31, 2020
	QR.	QR.
Cash on hand	**923,972**	466,021
Bank balances	**12,930,635**	6,371,064
Cash and cash equivalents	**13,854,607**	6,837,085

Bank balances are assessed to have low credit risk of default since these banks are highly regulated by Qatar Central Bank and have high credit rating according to international credit agencies. Accordingly, management of the Company estimates the loss allowance on bank balances at the end of the reporting period at an amount equal to 12 month ECL. None of the balances with banks at the end of the reporting period 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.

11. EMPLOYEES' END OF SERVICE BENEFITS

	March 31, 2021	March 31, 2020
	QR.	QR.
Balance at April 1,	**291,299**	235,334
Provision for the year	**109,137**	75,949
Paid during the year	**(46,298)**	(19,984)
Balance at March 31,	**354,138**	291,299

12. BANK BORROWINGS

	March 31, 2021	March 31, 2020
	QR.	QR.
Term loan	**-**	1,714,350
Less: Current portion	**-**	(1,714,350)
Non-current portion	**-**	--

In January 2017, the Company obtained a term loan from a local commercial bank to finance the setting up of new store outlets and is repayable in 16 equal quarterly installments. The term loan bears interest at the rate of 6.25% (2019: 6.25%) per annum. The loan is secured by personal guarantees of partners and corporate guarantees of Kalyan Jewellers India Limited. Finance cost incurred for this term loan during the year amounted to QR. 48,625 (2019: QR. 164,846). During the current year, QR 1,714,350 was repaid against the borrowings and it was fully paid off.

13. ACCRUED EXPENSES AND OTHER LIABILITIES

	March 31, 2021	March 31, 2020
	QR.	QR.
Advance from customers	**13,132,984**	15,946,308
Accrued expenses	**298,719**	130,582
	13,431,703	16,076,890

14. LEASE LIABILITIES

	March 31, 2021	March 31, 2020
	QR.	QR.
Opening balance	**5,813,178**	8,355,294
Addition	**2,041,484**	2,723,080
Interest expense on lease liabilities (Note 6)	**244,288**	466,744
Lease termination, renewal and modification	**(628,626)**	-
Lease payments (Note 6)	**(4,463,096)**	(5,731,940)
	3,007,228	5,813,178

Maturity analysis of lease liabilities:

	March 31, 2021	March 31, 2020
Not later than 1 year	**2,789,131**	2,032,065
Later than 1 year and not later than 5 years	**218,097**	3,781,113
	3,007,228	5,813,178

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

15. REVENUE

The Company derives its revenue from contracts with customers for sales of goods recognised at a point in time in the following major revenue line.

	March 31, 2021	March 31, 2020
	QR.	QR.
Revenue – point in time		
Sale of jewelry and ornaments	**121,583,327**	177,640,240
Discount on promotional sales	**(8,280)**	-
	121,575,047	177,640,240

All the above revenue of the Company have been derived from its operation in State of Qatar. The Company has no business operation in other jurisdiction.

Based on the management assessment of the unsatisfied performance obligation as per IFRS 15- *Revenue from contracts with customers*, there are no unsatisfied performance obligations as at March 31, 2021 and hence the whole amount of revenue for the contracts with customers was recognized during the current year.

16. COST OF SALES

	March 31, 2021 QR.	March 31, 2020 QR.
Opening inventory balance	**93,476,478**	89,392,179
Purchases during the year	**73,463,189**	145,813,187
Other direct expenses	**7,165,262**	8,191,920
Goods available for sale	**174,104,929**	243,397,286
Ending inventory balance (Note 7)	**(78,213,409)**	(93,476,478)
Cost of goods sold	**95,891,520**	149,920,808

17. GENERAL AND ADMINISTRATIVE EXPENSES

	March 31, 2021 QR.	March 31, 2020 QR.
Salaries and staff benefits	**3,626,035**	4,873,783
Brand sharing charges (Note 8d)	**496,465**	3,491,429
Management fees (Note 8d)	**496,465**	3,491,429
Advertising and promotion	**2,057,754**	2,649,343
Rent	**1,110,661**	1,202,900
Communication and utilities	**523,552**	609,429
Recruitment expenses	**179,420**	358,260
Repairs and maintenance	**216,796**	350,341
Administrative support fee	**220,000**	348,000
Travelling	**107,504**	179,485
Insurance	**122,906**	160,026
Professional fees	**177,552**	132,898
Bank charges and commission	**46,987**	124,488
Staff refreshment	**39,632**	94,806
Office supplies	**303,970**	47,672
Printing, postage and courier	**37,388**	61,045
Security	**-**	24,490
Loss on disposal of assets	**2,132,649**	-
Provision for impairment on trade and other receivables (Note 9)	**223,854**	-
Other expenses	**935,563**	2,113,125
	13,055,153	20,312,949

18. FINANCIAL INSTRUMENTS

Financial instruments represent any contractual agreement that creates a financial asset, financial liability or an equity instrument. Financial assets comprise cash and bank balances, due from a related party, trade receivables and other debit balances. Financial liabilities comprise trade payables, due to a related party, loan from a related party, bank borrowings, lease liabilities and accrued expenses. Accounting policies for the financial assets and liabilities are set out in Note 3.

18. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments

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, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of financial instruments is not materially different from their carrying values.

	March 31, 2021		March 31, 2020	
	Carrying amount	**Fair value**	Carrying amount	Fair value
	(QR)	**(QR)**	(QR)	(QR)
Due from a related party (Note 8(a))	**68,702,088**	**68,702,088**	66,221,626	66,221,626
Trade receivables (Note 9)	**588,326**	**588,326**	936,582	936,582
Deposits and other receivables (Note 9)	**297,297**	**297,297**	340,262	340,262
Cash and bank balances (Note 10)	**13,854,607**	**13,854,607**	6,837,085	6,837,085
	83,442,318	**83,442,318**	74,335,555	74,335,555
Bank borrowings (Note 12)	**-**	**-**	1,714,350	1,714,350
Due to a related party (Note 8(b))	**7,186,938**	**7,186,938**	6,943,204	6,943,204
Loan from shareholder (Note 8(c))	**99,127,361**	**99,127,361**	-	-
Trade payables	**8,140,702**	**8,140,702**	17,363,271	17,363,271
Accrued expenses (Note 13)	**298,719**	**298,719**	-	-
Lease liabilities (Note 14)	**3,007,228**	**3,007,228**	5,813,178	5,813,178
	117,760,948	**117,760,948**	31,834,003	31,834,003

19. FINANCIAL RISK MANAGEMENT

The activities of the Company expose it to routine financial risks, including the effects of defaults by customers, movement in interest rates and liquidity. The Company's management seeks to minimize potential adverse effects on the financial performance of the Company by taking appropriate steps to address specific risk management areas, such as credit risk, interest rate risk, foreign currency and liquidity risk management.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at March 31, 2021, the Company's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Company due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Company arises from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

In order to minimise credit risk, the Company has tasked its management to develop and maintain the Company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	When there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	When there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that there is a severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Company's financial assets, contract assets and financial guarantee contracts, as well as the Company's maximum exposure to credit risk by credit risk rating grades:

March 31, 2021	**Note**	**12-month or lifetime ECL**	**Gross carrying**	**Loss allowance**	**Net carrying amount**
			QR.	**QR.**	**QR.**
Bank balances	10	12-month ECL	12,930,635	-	12,930,635
Trade receivables	9	Lifetime ECL	588,326	(223,854)	364,472
Deposits	9	Lifetime ECL	297,297	-	297,297
Due from a related party	8 (a)	Lifetime ECL	68,702,088	-	68,702,088

March 31, 2020	Note	12-month or lifetime ECL	Gross carrying	Loss allowance	Net carrying Amount
			QR.	QR.	QR.
Bank balances	10	12-month ECL	6,371,064	--	6,371,064
Trade receivables		Lifetime ECL	936,582	--	936,582
Deposits	9	Lifetime ECL	340,262	--	340,262
Due from a related party	8 (a)	Lifetime ECL	66,221,626	--	66,221,626

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (continued)

For trade receivables, deposits and due from a related party, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

The Company always measures the loss allowance for trade receivables and due from a related party at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables and due from a related party are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The loss allowance as at March 31, 2021 was determined as follows for trade receivables and due from related a party:

	Days past due						
March 31, 2021	**Up to 30 days**	**31 – 60 days**	**61-90 days**	**91-180 days**	**181-365 days**	**Over 365 days**	**Total**
	QR	**QR**	**QR**	**QR**	**QR**	**QR**	**QR**
Gross carrying amount							
- Trade receivables	**588,326**	**-**	**-**	**-**	**-**	**-**	**588,326**
- Due from a related party (Note 8(a))	**-**	**496,427**	**992,855**	**991,180**	**-**	**66,221,626**	**68,702,088**
Loss allowance	**(223,854)**	**-**	**-**	**-**	**-**	**-**	**(223,854)**
							69,066,560

	Days past due						
March 31, 2020	Up to 30 days	31 – 60 days	61-90 days	91-180 days	181-365 days	Over 365 days	Total
	QR	QR	QR	QR	QR	QR	QR
Gross carrying amount							
- Trade receivables	9,600	--	--	926,982	--	--	936,582
- Due from a related party (Note 8(a))	10,116,800	1,858,880	1,624,625	2,247,360	9,088,050	41,285,910	66,221,626
Loss allowance	--	--	--	--	--	--	--
							67,158,208

Interest rate risk

Interest rate risk is the risk of changes in market interest rates affecting the overall return of the Company. The Company is exposed to interest rate risk as they have exposure in loans.

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk (continued)

Interest rate sensitivity analysis

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At March 31, 2021, the impact of changing the interest rates on borrowings by 50 basis point higher/lower with all other variables held constant on the profit for the year would have been QR. Nil (2020: QR. 8,572) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currencies. There are no significant exchange rate risks as most of these transactions are in Arab Emirates Dhiram (AED) and United States Dollar (USD) which is pegged to the Qatar Riyal (QR).

Liquidity risk

Liquidity risk represents the risk that the Company will not be able to settle its financial obligations due to cash and liquidity problems. Liquidity risk arises from the inability to collect payments from customers as and when they become due. The financial statements are prepared going concern basis which is dependent upon the continuous financial support by the Emirati partner to meet financial obligations of the Company when they fall due.

Maturity profiles

The table below summarizes the maturity profile of the financial assets and financial liabilities of the Company with agreed repayment periods. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2021

	Up to a year	**1-5 years**	**Over 5 years**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Non – derivative financial assets				
Due from a related party	**68,702,088**	**--**	**--**	**68,702,088**
Trade receivables	**588,326**	**--**	**--**	**588,326**
Deposits	**297,297**	**--**	**--**	**297,297**
Cash and bank balances	**13,854,607**	**--**	**--**	**13,854,607**
	83,442,318	**--**	**--**	**83,442,318**

19. FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity profiles (continued)

March 31, 2021

	Up to a year	**1-5 years**	**Over 5 years**	**Total**
	QR.	**QR.**	**QR.**	**QR.**
Non – derivative financial liabilities				
Due to a related party	**7,186,938**	**--**	**--**	**7,186,938**
Loan from a related party	**99,127,361**	**--**	**--**	**99,127,361**
Trade payables	**8,140,702**	**--**	**--**	**8,140,702**
Accrued expenses	**298,719**	**--**	**--**	**298,719**
Lease liabilities	**2,789,131**	**218,097**	**--**	**3,007,228**
	117,542,851	**218,097**	**--**	**117,760,948**

March 31, 2020

	Up to a year	1-5 years	Over 5 years	Total
	QR.	QR.	QR.	QR.
Non – derivative financial assets				
Due from a related party	66,221,626	--	--	66,221,626
Trade receivables	936,582	--	--	936,582
Deposits	340,262	--	--	340,262
Cash and bank balances	6,837,085	--	--	6,837,085
	74,335,555	--	--	74,335,555

	Up to a year	1-5 years	Over 5 years	Total
	QR.	QR.	QR.	QR.
Non – derivative financial liabilities				
Bank borrowings	1,714,350	--	--	1,714,350
Due to a related party	6,943,204	--	--	6,943,204
Trade payables	17,363,271	--	--	17,363,271
Accrued expenses	130,582	--	--	130,582
Lease liabilities	2,032,065	3,781,113	--	5,813,178
	28,183,472	3,781,113	--	31,964,585

20. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the partners. One of the partners has committed to provide all financial support to the Company as and when obligations become due.

The capital structure of the Company consists of net debt and equity of the Company, comprising share capital, partner's current account net of accumulated loss.

21. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The below table details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

	At April 1, 2020	**Financing cash flows**	**Other changes**	**At March 31, 2021**
	QR.	**QR.**	**QR.**	**QR.**
Bank borrowings	**1,714,350**	**(1,714,350)**	**--**	**--**
Lease liabilities	**5,813,178**	**(4,218,808)**	**1,412,858**	**3,007,228**

	At April 1, 2019	Financing cash flows	Other changes	At March 31, 2020
	QR.	QR.	QR.	QR.
Bank borrowings	3,889,505	(2,175,155)	--	1,714,350
Lease liabilities	8,355,294	(5,731,940)	3,189,824	5,813,178

22. NON-CASH TRANSACTIONS

	March 31, 2021	March 31, 2020
	QR.	QR.
Write-off of right-of-use assets against terminated, renewed and modified contracts (Note 14)	**1,344,048**	--
Write-off of lease liability against terminated contracts (Note 6)	**628,626**	--
Transfer from partner's current account to loan from shareholder	**99,147,825**	--

23. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved and authorized by the partners for issue on July 15, 2021.