

GK Exim FZE W.L.L.
Qalali - Kingdom of Bahrain
Auditors' report and financial statements
For the year ended March 31, 2022

Private & Confidential

GK Exim FZE W.L.L.

Qalali - Kingdom of Bahrain

Auditors' report and financial statements for the year ended March 31, 2022

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The Entity

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	Principal office address	: Shop/Flat no. 101 , Building 1900, Road 5539, Block 255, Qalali- Kingdom of Bahrain	
The Entity	The Directors	: Name	<u>Nationality</u>
		Raju Pillai	Indian
Director's report		Subramaniam Venkatraman Iyer	Indian
	The Shareholder	: Name	<u>Ownership</u> <u>Nationality</u>
		Sakuma Exim DMCC	100% Emarati
Independent Auditors' report	The Authorized Signatories	: Name	<u>Nationality</u>
		Raju Pillai	Indian
		Subramaniam Venkatraman Iyer	Indian
Statement of financial position	The Auditor	: Millenial Auditing Office no.1906, Building 2504, Road 2832, Block no.428 Al Seef-Kingdom of Bahrain	
Statement of comprehensive income	The Main Bank	: Bank of Bahrain and Kuwait	
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Director's report

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The Director's has pleasure in presenting his report and the audited financial statements for the year ended March 31, 2022.

Principal activities of the Entity :

The principal activities of the entity consist of goods re-export and other logistics value add services.

Role of the Director's:

The Director's are the Entity's principal decision-making forum. Director's have the overall responsibility for leading and supervising the Entity and is accountable to shareholders for delivering sustainable shareholder value through their guidance and supervision of the Entity's business. The Director's sets the strategies and policies of the Entity. They monitor performance of the Entity's business, guides and supervises its management.

Auditors:

Millenial Auditing, Bahrain is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Director's responsibilities:

The applicable requirements, requires the Director's to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Director's confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records. The Director's also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

Acknowledgements

The Director's wishes to place on record their sincere gratitude for the continuous support extended by various government departments, banks, customers, suppliers, employees and all well wishers.

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R Pillai

Raju Pillai
Director

May 19, 2022





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Independent Auditor's Report

To the Shareholder of GK Exim FZE W.L.L.

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Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **GK Exim FZE W.L.L.** which comprise the statement of financial position as at **March 31, 2022** and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **March 31, 2022** its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 statement section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of **GK Exim FZE W.L.L.** in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Responsibilities of the management and those charged with governance for the financial

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal controls 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 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.

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Auditors' responsibilities for the audit of the financial statements

The objectives of our audit 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 a part of Audit in accordance with the ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. 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.
2. 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 Entity's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Entity'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 consolidated 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 Entity to cease to continue as a going concern.
5. 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.





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Independent Auditor's Report (Continued)

Report on Anti-Money Laundering and Terrorism Financing Requirements

To the best of our knowledge, information and explanations provided to us, we report that;

1. The company does not maintains proper internal control systems and procedures sufficient of monitoring and reporting of suspicious or extraordinary transactions.
2. The company does not holds sufficient measures and internal procedures relevant to verifying the identity of its customers.
3. The company has not identified any suspicious transactions during the year ended 31st March 2022. The company does not have proper operating procedures to identify suspicious transactions.
4. The entity has no relationship of any kind with any individual(s) or organization(s) listed in the United Nations Security Council Resolution or Domestic List.
5. As at the financial year ended 31st March 2022, we are not aware of any violations to the Ministerial order (173) of 2017 regarding the concerning obligations related to the procedures of the prohibition of and combating money laundering and terrorism finance in the business of the persons registered in the commercial register and the audit registry in the Kingdom of Bahrain.

Report on other legal and regulatory requirements

As required by the **Commercial Company Law Bahrain**, we further confirm that,

1. We have obtained all the information and explanations necessary for our audit;
2. We are not aware of any contraventions during the period of the above mentioned law or the Entity's Articles of Association; which may have material effect on the financial position of the Entity or the result of its operations for the period.



Poojan Goyal
Managing Partner
Registration No. 240
Bahrain
May 19, 2022

GK Exim FZE W.L.L.

Qalali - Kingdom of Bahrain

Statement of financial position as at March 31, 2022

(In Bahraini Dinar)

ANNUAL REPORT 2022	Particulars	Note	2022	2021
The Entity	ASSETS			
	Current assets			
	Due from related parties	5a	18,895	18,895
	Advances, deposits and other receivables	6	608	841
	Cash and cash equivalents	7	2,373	2,373
Director's report	Total current assets		21,876	22,109
	TOTAL ASSETS		21,876	22,109
Independent Auditors' report	EQUITY AND LIABILITIES			
	Capital & reserves			
	Share capital	8	20,000	20,000
	Accumulated (losses)	9	(5,994)	(4,825)
	Total equity		14,006	15,175
Statement of financial position	Total Shareholder's fund		14,006	15,175
	Current liabilities			
	Due to related party	5b	4,736	-
Statement of comprehensive income	Other payables	10	3,134	6,934
	Total current liabilities		7,870	6,934
	Total liabilities		7,870	6,934
	TOTAL EQUITY AND LIABILITIES		21,876	22,109
Statement of changes in shareholder equity	The accompanying notes form an integral part of these financial statements.			
	The report of the auditors is set out on page 3, 4 and 5.			
	The financial statements on pages 6 to 19 were approved on May 19, 2022 and signed on behalf of the Entity, by:			
Statement of cashflows				
Notes to financial statement				

Rspillai

Raju Pillai
Director

GK Exim FZE W.L.L.

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Statement of comprehensive income for the year ending March 31, 2022

(In Bahraini Dinar)

ANNUAL REPORT 2022	Particulars	Note	2022	2021
The Entity	Administrative expenses	11	(1,169)	(1,171)
	(Loss) for the year		(1,169)	(1,171)
	Other comprehensive income		-	-
	Total comprehensive (loss) for the year		(1,169)	(1,171)

The accompanying notes form an integral part of these financial statements.**The report of the auditors is set out on page 3, 4 and 5.**

The financial statements on pages 6 to 19 were approved on May 19, 2022 and signed on behalf of the Entity, by:

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Rspulla
Raju Pillai
Director




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Statement of changes in Shareholder equity for the year ended March 31, 2022

(In Bahraini Dinar)

ANNUAL REPORT 2022	Particulars	Share capital	Accumulated (losses)	Total equity
The Entity	As at April 01, 2020	20,000	(3,654)	16,346
	Comprehensive (loss) for the year	-	(1,171)	(1,171)
Director's report	As at March 31, 2021	20,000	(4,825)	15,175
	Comprehensive (loss) for the year	-	(1,169)	(1,169)
	As at March 31, 2022	20,000	(5,994)	14,006
<p>The accompanying notes form an integral part of these financial statements. The report of the auditors is set out on page 3, 4 and 5.</p>				
Independent Auditors' report				
Statement of financial position	<p><i>R. Pillai</i> Raju Pillai Director</p> 			
Statement of comprehensive income				
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Statement of cash flows for the year ended March 31, 2022

(In Bahraini Dinar)

ANNUAL REPORT 2022		2022	2021
The Entity	Cash flows from operating activities		
	Net (loss) for the year	(1,169)	(1,171)
	<i>Adjustments for:</i>		
	Funds (used in) from operations	(1,169)	(1,171)
	<i>Change in working capital</i>		
	Advances, deposits and other receivables	233	(841)
	Due from related parties	-	(18,895)
	Due to related parties	4,736	(2,334)
	Other payables	(3,800)	5,614
	Cash generated/(used in) from working capital	1,169	(16,456)
Director's report	<i>Net cash(used in) from operating activities</i>	-	(17,627)
	<i>Net (decrease) in cash and cash equivalents</i>	-	(17,627)
	Cash and cash equivalents, beginning of the year	2,373	20,000
	Cash and cash equivalents, end of the year	2,373	2,373
Independent Auditors' report			
	Represented by:		
	Cash at bank	2,373	2,373
Statement of financial position		2,373	2,373
Statement of comprehensive income			
Statement of changes in shareholder's equity			
Statement of cashflows			
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The accompanying notes form an integral part of these financial statements.

The report of the auditors is set out on page 3, 4 and 5.



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statement**1 Legal status and business activities**

- 1.1 GK Exim FZE W.L.L. (the "Entity") was registered on October 17, 2019 as With Limited Liability Company and operates in Kingdom of Bahrain under a commercial registration number 134167-1 issued by Ministry of Industry, Commerce and Tourism.
- 1.2 The Entity is licensed by the Government of Bahrain fo goods re-export and other logistics value add services.
- 1.3 The registered office of the Entity is located at Qalali- Kingdom of Bahrain.

2 Basis of preparation**2.1 Statement of Compliance**

These Financial statements have been prepared in accordance with the International Financial Reporting Standards issued by International Accounting Standards Board(IASB) and in conformity requirements of Commercial Company Law.

This is the first set of Company's financial statements in which IFRS 9 Financial Instruments and IFRS 15 Revenue from contract with customers have been applied. Changes to significant accounting policies are described in Note No 3.

2.2 Functional & Presentation Currency

The financial statements are presented in Bahraini Dinars ("BHD") which is also the functional and presentation currency of the Company. All financial information is presented in BD has been rounded off to the nearest Bahraini Dinar.

2.3 Basis of Measurement and Accounting & Coverage

The financial statements have been prepared on Historical Cost Convention except in respect of those financial instruments, which are presented at their fair values and properly disclosed elsewhere in the report. These financial statements have been prepared under going concern assumption.

The Company follows the accrual basis of accounting, except for the statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognized as and when they occur and are recorded in financial statements for the period to which they relate.

The financial statements enclosed covers the period from April 01, 2021 to March 31, 2022.

3 Standards, interpretations and amendments to existing standards**3.1 Standards, interpretations and amendments to existing standards that are not yet effective not early adopted by the entity**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Entity's financial statements are disclosed below. The Entity intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following amended standards and interpretations are not expected to have a significant impact on the Entity's financial statements.



ANNUAL REPORT 2022	<p>3.1 Standards, interpretations and amendments to existing standards that are not yet effective not early adopted by the entity (continued)</p>
The Entity	
Director's report	
Independent Auditors' report	<p>a) Amendments to IAS 1 – Classification of Liabilities as Current or Non-current</p> <p>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. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.</p>
Statement of financial position	<p>b) Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract</p> <p>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). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, 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 date of initial application. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.</p>
Statement of comprehensive income	
Statement of changes in shareholder's equity	
Statement of cashflows	<p>c) IFRS 9 Financial Instruments</p> <p>The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.</p>
Notes to financial statement	<p>d) IFRS 17 Insurance contracts- New (effective for accounting period beginning on after January 1, 2021)</p> <p>IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.</p>



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statement**3.1 Standards, interpretations and amendments to existing standards that are not yet effective not early adopted by the entity (continued)****e) IFRS 9 Financial Instruments**

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

4 Summary of significant accounting policies**4.1 IFRS 9 Financial Instruments:**

These instruments are accounted as basic financial instrument:

a) Cash & Cash equivalents:

Cash and cash equivalents comprise cash and liquid funds with original maturity of three months or less which includes balance with bank in current account.

b) Accounts receivables:

Accounts receivables are due from customers in ordinary course of business. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Where there is objective evidence of amounts that are not collectible, a provision is made for the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

c) Account & other payables:

Account payables represents obligations towards vendors in ordinary course of business. Accounts payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

d) Other financial assets:

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of company's business, which is at least equal to the amount at which they are stated in the statement of financial position.

e) Other financial liability:

Other financial liabilities include borrowings if any, are initially measured at transaction value, net of transaction cost. These are subsequently measured at amortised cost using effective interest method.

Recognition and initial measurement

Receivables are initially recognised when they are originated, All other financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instruments.

A Financial asset (unless it is Accounts receivable without a significant financing component) or a financial liability is initially measured at fair value plus, for an item not at FVTPL, Transaction cost that are directly attributable to its acquisition or issue. Receivable without a significant financial component is initially measured at transaction price.



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IFRS 15 replaces IAS 18 which covers contracts for sale of goods and rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard provides a new five-step model that must be applied to all contracts with customers.

Time of recognition

Sales are recognised when products are delivered to the customer and the customer has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the acceptance of products. Delivery occurs when the goods are shipped; all the risk and rewards associated are transferred to the customer, i. e customer gains control over the goods. Also either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

Measurement of revenue

Revenue from sales is based on the price specified in the sales contracts, net of the estimated volume discounts and returns at the time of sale.

4.3 Expenditure

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

4.4 Use of Estimates & Judgements

The preparation of financial statements, in conformity with IFRS, requires management to make estimates, judgements and assumptions that affect the application of policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

Useful life of property, plant & equipment:

Company's management estimates the useful life of property, plant & equipment and residual value for calculating depreciation. It reviews the estimated life & residual value on annual basis & future depreciation expense would be adjusted where the management believes that useful life differs from the previous estimates.

4.5 Financial Instruments**Financial Assets**

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL.



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

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss or de-recognition is recognised in the statement of profit or losses and other comprehensive income.

Financial Liabilities

Financial liabilities are classified as amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.



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Notes to the financial statements for the year ended March 31, 2022

(In Bahraini Dinar)

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Director's report	<p>The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.</p> <p>The Entity believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.</p>		
Independent Auditors' report	a) Due from related party		
	Sakuma Exim DMCC	18,895	18,895
		18,895	18,895
Statement of financial position	b) Due to related party		
	Sakuma Exim DMCC	4,736	-
		4,736	-
Statement of comprehensi- ve income	6 Advances, deposits and other receivables		
	Prepaid rent	608	841
		608	841
Statement of changes in shareholder's equity	7 Cash and cash equivalents		
	Cash at bank	2,373	2,373
		2,373	2,373
Statement of cashflows	<p>Note: We have not received independent confirmation of balance as at March 31, 2021 from the bank</p>		
Notes to financial statement	8 Share capital		
	<p>Authorised, issued and paid up capital of the Entity is BHD 20,000 divided into 400 shares of BHD 50 each fully paid up. The details of the shareholding as at reporting date are as follows:</p>		
	Name	Percentage	No's
	Sakuma Exim DMCC	100%	400
		2022	2021
		20,000	20,000
		20,000	20,000
	9 Accumulated (losses)		
	Balance at the beginning of the year	(4,825)	(3,654)
	Comprehensive (loss) for the year	(1,169)	(1,171)
	Balance at the end of the year	(5,994)	(4,825)



GK Exim FZE W.L.L.

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Notes to the financial statements for the year ended March 31, 2022

(In Bahraini Dinar)

		2022		2021	
ANNUAL REPORT 2022	10 Other payables				
	Trade payable	1,580		1,580	
	Loan & advances	-		3,800	
	Other payables	1,554		1,554	
The Entity		3,134		6,934	
Director's report	11 Administrative expenses				
	Legal, visa, professional and related expenses	-		1,043	
	Rent	1,169		95	
	Bank charges	-		33	
Independent Auditors' report		1,169		1,171	
Statement of financial position					
Statement of comprehensive income					
Statement of changes in shareholder's equity					
Statement of cashflows					
Notes to financial statement					



GK Exim FZE W.L.L.

Qalali - Kingdom of Bahrain

Notes to the financial statements for the year ended March 31, 2022

(In Bahraini Dinar)

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ve incomeStatement of
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statement**12 Financial instruments****a) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the financial statements.

b) Categories of financial instruments

Financial assets

Due from related parties

Advances, deposits and other receivables

Cash and cash equivalents

Financial liabilities at amortised cost

Other payables

Due to related parties

As at March 31,	
2022	2021
18,895	18,895
608	841
2,373	2,373
21,876	22,109

3,134	6,934
4,736	-
7,870	6,934

c) Fair values of financial instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, due from related party, advances deposits and other receivables, and certain other assets. Financial liabilities consist of accounts payables and accruals, due to related party and certain other liabilities.

The fair values of financial assets and liabilities are not materially different from their carrying values as at the reporting date.

13 Financial risk management objectives

The Entity management set out the Entity's overall business strategies and its risk management philosophy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Entity. The Entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Entity's policy guidelines are complied with.

There has been no change to the Entity's exposure to these financial risks or the manner in which it manages and measures the risk.

The Entity is exposed to the following risks related to financial instruments. The Entity has not framed formal risk management policies, however, the risks are monitored by management on a continuous basis. The Entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign currency risk management

The Entity does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Bahraini Dinar BHD and Dinar to USD conversion is pegged.



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statement**13 Financial risk management objectives (continued)****b) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Entity's financial assets. The contractual maturities of the financial assets have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity were maintained. The maturity profile of the assets and liabilities at the financial position date based on contractual repayment arrangements were also show on the following table.

Particulars	Interest bearing		Non Interest bearing			Total
	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at March 31, 2022					
Financial assets						
Due from related parties	-	-	-	18,895	-	18,895
Advances, deposits and other receivables	-	-	-	608	-	608
Cash and cash equivalents	-	-	2,373	-	-	2,373
Total	-	-	2,373	19,503	-	21,876
Financial liabilities						
Due to related parties	-	-	-	4,736	-	4,736
Other payables	-	-	-	3,134	-	3,134
Total	-	-	-	7,870	-	7,870

Particulars	Interest bearing		Non Interest bearing			Total
	Within 1 year	More than 1 year	On demand or less than 3 months	Within 1 year	More than 1 year	
	As at March 31, 2021					
Financial assets						
Due from related parties	-	-	-	18,895	-	18,895
Advances, deposits and other receivables	-	-	-	841	-	841
Cash and cash equivalents	-	-	2,373	-	-	2,373
Total	-	-	2,373	19,736	-	22,109
Financial liabilities						
Other payables	-	-	-	6,934	-	6,934
Total	-	-	-	6,934	-	6,934



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statement**13 Financial risk management objectives (continued)****c) Credit risk management**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties. The Entity uses its own trading records to rate its existing customers and increase their credits limits. The Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management regularly and the Entity maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

The Entity does not have significant credit risk exposure to a single counterparty or any group of counter parties having similar characteristics. The Entity defines counterparties as having similar characteristics if they are related entities.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Entity's maximum exposure to credit risks.

14 Capital risk management

The Entity manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the equity balance. The Entity's overall strategy remains unchanged from prior year.

The capital structure of the Entity consists of cash and cash equivalents and equity comprising issued capital, reserves and retained earnings as disclosed in the financial statements.

