AARVI ENCON (FZE)

SAIF Zone, Sharjah - United Arab Emirates

Auditor's report and financial statements
For the year ended March 31, 2018

AARVI ENCON (FZE)
SAIF Zone, Sharjah - United Arab Emirates

Auditor's report and financial statements for the year ended March 31, 2018

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AARVI ENCON (FZE)
SAIF Zone, Sharjah - United Arab Emirates

General information

Principal office address	:	P.O BOX 122723 SAIF Zone, Sharjah - United Arab Emirates		
The Director	:	Name Mr. Manoj Ramakrishnan		Nationality Indian
The shareholder	:	Name	Equity shareholding	Nationality
		M/s. Aarvi Encon Limited	100%	Indian
The Auditor	:	M/s. Spectrum auditing Reg no: 1002 Chartered Accountants Dubai, United Arab Emirates		

AARVI ENCON (FZE)
SAIF Zone, Sharjah - United Arab Emirates

Director's Report

The Director has pleasure in presenting his report and the audited financial statements for the year ended March 31, 2018

Principal activities of the Entity :

The principal activities of the entity are Business Consultancy

Financial review:

The table below summarized results of 2018 and 2017

	2017-18	2016-17
	AED	AED
Revenue	2,628,589	3,863,183
Direct cost	(1,808,770)	(2,609,358)
Gross profit	819,819	1,253,825
Net profit for the year	710,678	1,235,135
Gross profit margin	31%	32%

Role of the Director:

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

Going concern:

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the Entity's ability to continue as a going concern. The management has not come across any evidence that causes the management to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Entity's ability to continue as a going concern.

Events after year end:

In the opinion of the Director, no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Entity.

Auditors:

M/s. Spectrum Auditing, United Arab Emirates 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 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 confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Director also confirms 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.

These financial statements were approved and signed by the Director.

Authorised signatory
May 08, 2018

Independent auditor's report

To,
AARVI ENCON (FZE)
P.O BOX 122723
SAIF Zone, Sharjah - United Arab Emirates

Report on the financial statements

We have audited the accompanying financial statements of AARVI ENCON (FZE), SAIF Zone, Sharjah - United Arab Emirates ("Entity") which comprise the statement of financial position as at March 31, 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal controls as management determines which is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AARVI ENCON (FZE) as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

1. We have obtained all the information and explanations which we consider necessary for our audit,
2. Proper books of accounts have been maintained by the Entity,
3. A physical count of inventories was carried out by the management,
4. The contents of the Managing director's report which relates to the financial statements are in agreement with the Entity's books of accounts; and
5. According to the information made available to us, we are not aware of any contraventions during the year of the above mentioned law or the Entity's Articles of Association; which may materially effect on the financial position of the Entity or the result of its operations for the year.

For SPECTRUM AUDITING

P.O.Box: 379682
DUBAI - U.A.E.

Ahmed Sultan Ahmed Al Shareef ... Zaabi

AARVI ENCON (FZE)
Saif Zone, Sharjah - United Arab Emirates

Statement of financial position as at March 31, 2018
(In Arab Emirates Dirham)

	Notes	31st March,2018	31st March,2017
Assets			
Current assets			
Trade receivables	3	1,323,496	1,787,451
Advances, deposits and other receivables	4	258,267	-
Cash and bank balances	5	906,796	79,120
Total current assets		2,488,559	1,866,571
Total assets		2,488,559	1,866,571
Equity and liabilities			
Equity			
Share capital	6	150,000	150,000
Retained earnings		1,976,728	1,266,050
Proprietor's current account		-	-
Total equity		2,126,728	1,416,050
Non-current liabilities			
Loans unsecured	7	35,332	35,332
Total non-current liabilities		35,332	35,332
Current liabilities			
Trade and other payables	8	326,499	415,189
Total current liabilities		326,499	415,189
Total liabilities		361,831	450,521
Total equity and liabilities		2,488,559	1,866,571

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4

The financial statements on pages 5 to 16 were approved on May 08, 2018 and signed on behalf of the Entity, by:

Authorised signatory

P.O.Box: 379682 DUBAI - U.A.E.

AARVI ENCON (FZE)

Saif Zone, Sharjah - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2018
(In Arab Emirates Dirham)

	Notes	31st	31st
Revenue	9	**2,628,589**	3,863,183
Direct cost	10	**(1,808,770)**	(2,609,358)
Gross profit		**819,819**	1,253,825
Administrative expenses	11	**(109,141)**	(18,690)
Profit for the year		**710,678**	1,235,135

The accompanying notes form an integral part of these financial statements.

The report of the auditor is set out on pages 4

The financial statements on pages 5 to 16 were approved on May 08, 2018 and signed on behalf of the Entity, by:

Authorised signatory

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AARVI ENCON (FZE)
Saif Zone, Sharjah - United Arab Emirates

Statement of changes in proprietor's equity for the year ended March 31, 2018
(In Arab Emirates Dirham)

	Proprietor's Share capital	Retained earnings	Total equity
Balance as at April 1, 2016	150,000	30,915	180,915
Profit for the Period	-	1,235,135	1,235,135
Net movements	-	-	-
Transfer to proprietor's current Account	-	-	-
Balance as at March 31, 2017	150,000	1,266,050	1,416,050
Profit for the Period	-	710,678	710,678
Net movements	-	-	-
Transfer to proprietor's current Account	-	-	-
Balance as at March 31, 2018	**150,000**	**1,976,728**	**2,126,728**

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4

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AARVI ENCON (FZE)
SAIF Zone, Sharjah - United Arab Emirates
Statement of cash flows for the year ended March 31, 2018
(In Arab Emirates Dirham)

	31st March, 2018	31st March,2017
Cash flows from operating activities		
Net profit for the year	**710,678**	1,235,135
Adjustments for:		
Finance costs	-	-
Provision for employees' end of service benefits	-	-
	710,678	1,235,135
(Increase) / decrease in current assets		
Inventories	-	
Trade receivables	**463,955**	(1,703,958)
Advances, deposits and other receivables	**(258,267)**	-
Increase / (decrease) in current liabilities		
Trade and other payables	**(88,690)**	400,519
Cash generated from operations	**827,676**	(68,304)
Employees' end-of-services benefits paid	-	-
Net cash from / (used in) operating activities	**827,676**	(68,304)
Cash flows from investing activities		
Net cash from / (used in) investing activities	-	-
Cash flows from financing activities		
Proprietor's current account	-	35,332
Net cash from / (used in) financing activities	-	35,332
Net (decrease) / increase in cash and cash equivalents	**827,676**	(32,972)
Cash and cash equivalents, beginning of the year	**79,120**	112,092
Cash and cash equivalents, end of the year	**906,796**	79,120
Cash and cash equivalents		
Cash in hand	**2,810**	3,409
Cash at banks	**903,986**	75,711
	906,796	79,120

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 4

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1 Legal status and business activities

1.1 AARVI ENCON (FZE) - SAIF Zone, Sharjah - United Arab Emirates (the Entity) was incorporated on October 13, 2015 as a Free Zone Establishment and operates in the United Arab Emirates under a Professional license issued by the Sharjah Airport International Free Zone, Government of Sharjah, United Arab Emirates

1.2 The principal activitie of the entity is Business Consultancy

1.3 The registered address of the Entity is P.O BOX 122723, SAIF Zone, Sharjah - United Arab Emirates

1.4 The management and control is vested with Mr. Manoj Ramakrishnan, Director.

1.5 These financial statements incorporate the operating results of the Professional license no. 15906

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Entity functional and presentation currency.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed after significant
The principal accounting policies applied in these financial statements are set out below.

2.3 Current/Non current classification

The Entity presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current. A liability is current when it is:

Expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Entity classifies all other liabilities as non-current.

2.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Entity.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2 Significant accounting policies (Continued)

2.4 Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 inputs are quoted price (unadjusted) in active market for identical asset or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are observable inputs for the asset or liability.

2.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

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 Entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

2.6 Impairment of tangible assets

At the end of each reporting period, the Entity 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 Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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2 Significant accounting policies (Continued)

2.6 Impairment of tangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the Entity becomes a party to the contractual provisions of the instrument.

2.8 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss ' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Entity's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", due from related parties", "shareholders' loan" and "loan from related parties" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

<u>Cash and cash equivalents</u>

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

<u>Trade and other receivables</u>

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

<u>Derecognition of financial assets</u>

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

2.9 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

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2 Significant accounting policies (Continued)

2.9 Financial liabilities (continued)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trades payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.Trade and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Entity derecognises financial liabilities when, and only when, the Entity's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or

2.10 Offsetting financial instruments

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

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Cost of inventories comprises of costs of purchase, and where applicable cost of conversion and other costs that has been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.12 Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

2.13 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When 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.

2 Significant accounting policies (Continued)

2.14 Revenue recognition

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.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract, when the outcome of the transaction and related revenue and cost can be measured reliably, and that economic benefit flows to the Entity.

2 Significant accounting policies (Continued)

2.15 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future

Critical judgements in applying accounting policies

In the process of applying the Entity's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Under normal circumstances, in recognising the revenue the management is of the view that in line with the requirement of IAS 18 "Revenue", the risk and reward of ownership is transferred to the buyers of the goods and services and that revenue is reduced for the estimated returns, rebate and other allowances (if any).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Inventories

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made for estimated obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, product pricing, physical deterioration

Property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Fair value measuerement

For the purpose of fair value disclosures, the Entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy. The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Entity uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Entity has an established control framework with respect to the measurement of fair values. This includes a management team that has overall responsibility for overseeing all significant fair value

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	2017-18	2016-17
3 Trade receivables		
Trade receivables	**1,323,496**	1,787,451
Other receivable	**-**	-
	1,323,496	1,787,451
4 Advances, deposits and other receivables		
Prepayments	**-**	-
Deposits	**258,267**	-
	258,267	-
5 Cash and bank balances		
Cash in hand	2,810	3,409
Cash at banks	**903,986**	75,711
	906,796	79,120

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AARVI ENCON (FZE)
SAIF Zone, Sharjah - United Arab Emirates
Notes to the financial statements for the year ended March 31, 2018
(In Arab Emirates Dirham)

6 Share capital

Authorised, issued and paid up capital of the Entity is AED 150,000 divided into 1 share of AED 150,000 each fully paid.

The details of the shareholding as at reporting date are as follows:

Name of Shareholders	Nationality	Percentage	No of shares	2017-18	2016-17
M/s. Aarvi Encon Limited	Indian	100%	1	150,000	150,000
		100%	1	150,000	150,000

7 Loans unsecured

	2017-18	2016-17
Balance at the beginning of the year	35,332	-
Net movements during the year	-	35,332
Balance at the end of the year	35,332	35,332

8 Trade and other payables

Trade payables	15,918	154,414
VAT & Other Current Liabilities	56,247	260,775
Employee Project Money	37,753	-
Salaries and benefits	216,581	-
	326,499	415,189

9 Revenue

Service Income with VAT	2,640,070	3,863,183
Other Income	73	-
Output VAT	(11,554)	-
	2,628,589	3,863,183

10 Direct cost

Cost of services/sales with VAT	529,685	433,942
Salaries to employees	1,233,645	1,696,361
Staff Welfare and insurance	48,240	479,055
Input VAT	(2,800)	-
	1,808,770	2,609,358

11 Administrative expenses

Travelling expenses	102,448	16,142
Bank charges	6,693	2,548
	109,141	18,690

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12 COMMITMENTS AND CONTINGENCIES

12.1 Capital Expenditure Commitments

The Company does not have significant capital commitments as at the reporting date.

13 RISK MANAGEMENT

Interest rate risk

The Company is not exposed to any significant interest rate risk. All interest rates on loans obtained during the year are fixed and have no floating impact.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances as follows.

	31st March, 2018	31st March, 2017
	AED	AED
Bank balances	906,796	79,120
Trade and Other Receivables	1,323,496	1,787,451
	2,230,292	1,866,571

The Company seeks to limit its credit risk with respect to banks by dealing with reputable banks only.

Credit risks related to receivables are managed subject to the Company's policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria and the credit quality of customers is assessed by management. Outstanding customer receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers. The Company does not hold collateral as security.

Foreign currency risk

Most of the Company's transactions are carried out in AED. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD) or Arab Emirates Dirhams. However, USD are fixed with the AED, hence no risk involved balances with regard to the USD.

Liquidity risk

The Company's terms of contract require amounts to be paid within 30-90 days of the date of sale.
Trade payables are normally settled within 60 days of the date of purchase.

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 the 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.

14 COMPARATIVE INFORMATION

Previous year comparables are reclassified/ regrouped and rearrange

15 EVENTS AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment to or disclosure in the Financial Statements.

16 Figures are rounded-off to nearest Arab Emirates Dirham

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