GK Exim FZE W.L.L.
Sanabis - Kingdom of Bahrain
Auditors' report and financial statements
For the year ended March 31, 2024

Private & Confidential

GK Exim FZE W.L.L.

Sanabis - Kingdom of Bahrain

Auditors' report and financial statements for the year ended March 31, 2024

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Principal office address	:	Shop/Flat no. 1806, Building no. 470, Road/Street no. 1010, Block no. 410, Sanabis - Kingdom of Bahrain		
The Directors	:	Name Raju Pillai Subramaniam Venkatraman Iyer		Nationality Indian Indian
The Shareholder	:	Name Sakuma Exim DMCC	Ownership 100%	Nationality Emarati
The Authorized Signatories	:	Name Raju Pillai Subramaniam Venkatraman Iyer		Nationality Indian Indian
The Auditor	:	Millenial Auditing Office no.801, Building no. 964, Road/Street no. 3620, Block no.436 Al Seef - Kingdom of Bahrain		
The Main Bank	:	Bank of Bahrain and Kuwait		

MILLENIAL AUDITING
HISTORY. REPUTATION. FUTURE.

GK Exim FZE W.L.L.

Sanabis - Kingdom of Bahrain

Director's report

The directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2024.

Principal activities of the Entity:

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

Financial insights:

The financial highlights of GK Exim FZE W.L.L. for the year ended March 31, 2024, are set out on pages 6 to 20.

Financial insights	2024	2023
Revenue	-	-
(Loss) for the year	(1,452)	(1,862)
Total assets	16,526	16,526
Total equity	10,692	12,144

Role of the Director:

The directors is the Entity's principal decision-making forum. The director has 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 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 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. 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.

Acknowledgements

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

Rspillai

Raju Pillai
Director
May 29, 2024

C.R No: 134167-1 Kingdom of Bahrain
GK EXIM FZE W.L.L.

Subramaniam Venkatraman Iyer
Director

MILLENIAL AUDITING

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Independent Auditor's Report
To the shareholder of GK Exim FZE W.L.L.
Sanabis - Kingdom of Bahrain
Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **GK Exim FZE W.L.L.** which comprise the statement of financial position as at **March 31, 2024** 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, 2024** 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.

Other information

The Management is responsible for the other information. The other information obtained at the date of this auditors' report is the report of the board of owners set out on page 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 statements

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.

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MILLENIAL AUDITING

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Independent Auditor's Report (Continued)

Responsibilities of the management and those charged with governance for the financial statements (continued)

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.

Management are responsible for overseeing the entity's financial reporting process.

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 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 skeptics 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 represents 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. Entity does not maintain proper internal control systems and procedures to monitor and report suspicious or unusual operations or attempt to deal with them.
2. Entity does not have adequate internal regulations and procedures to verify the identity of its customers.
3. The Entity has not reported any suspicious transactions during the year ended March 31, 2024.
4. As at the financial year ended March 31, 2024, except for the above, we are not aware of any violations to the Ministerial Order No. 103 of 2021 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 year 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 year.

Goyal

Poojan Goyal
Managing Partner
Registration No. 240
Bahrain
May 29, 2024

MILLENIAL AUDITING
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GK Exim FZE W.L.L.
Sanabis - Kingdom of Bahrain
Statement of financial position as at March 31, 2024
(In Bahraini Dinar)

Particulars	Note	2024	2023
ASSETS			
Current assets			
Due from related party	5	**14,159**	14,159
Cash and cash equivalents	6	**2,367**	2,367
Total current assets		**16,526**	16,526
TOTAL ASSETS		**16,526**	16,526
EQUITY AND LIABILITIES			
Capital & reserves			
Share capital	7	**20,000**	20,000
Accumulated (losses)	8	**(9,308)**	(7,856)
Total equity		**10,692**	12,144
Current liabilities			
Accounts and other payables	9	**5,834**	4,382
Total current liabilities		**5,834**	4,382
Total liabilities		**5,834**	4,382
TOTAL EQUITY AND LIABILITIES		**16,526**	16,526

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 20 were approved on May 29, 2024 and signed on behalf of the Entity, by:

Rspillai

Raju Pillai
Director

C.R No: 134167-1
Kingdom of Bahrain
GK EXIM FZE W.L.L.

Subramaniam Venkatraman Iyer
Director

GK Exim FZE W.L.L.
Sanabis - Kingdom of Bahrain
Statement of comprehensive income for the year ending March 31, 2024
(In Bahraini Dinar)

Particulars	Note	2024	2023
Operating expenses	10	**(1,452)**	(1,862)
(Loss) for the year		**(1,452)**	(1,862)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		**(1,452)**	(1,862)

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 20 were approved on May 29, 2024 and signed on behalf of the Entity, by:

Rspillai

Raju Pillai
Director

C.R No: 134167-1
Kingdom of Bahrain
GK EXIM FZE W.L.L.

Subramaniam Venkatraman Iyer
Director

GK Exim FZE W.L.L.
Sanabis - Kingdom Of Bahrain
Statement of changes in Shareholder equity for the year ended March 31, 2024
(In Bahraini Dinar)

Particulars	Share capital	Accumulated (losses)	Total equity
As at April 01, 2022	20,000	(5,994)	14,006
Comprehensive (loss) for the year	-	(1,862)	(1,862)
As at March 31, 2023	20,000	(7,856)	12,144
Comprehensive (loss) for the year	-	(1,452)	(1,452)
As at March 31, 2024	**20,000**	**(9,308)**	**10,692**

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.

Rspillai

Raju Pillai
Director

جي كي إكزيم إف زد إي ذ.م.م
C.R No: 134167-1
Kingdom of Bahrain
GK EXIM FZE W.L.L

Subramaniam Venkatraman Iyer
Director

GK Exim FZE W.L.L.
Sanabis - Kingdom Of Bahrain
Statement of cash flows for the year ended March 31, 2024
(In Bahraini Dinar)

	2024	2023
Cash flows from operating activities		
Net (loss) for the year	**(1,452)**	(1,862)
Funds (used in) from operations	**(1,452)**	(1,862)
Change in working capital		
Advances, deposits and other receivables	-	608
Other payables	**1,452**	1,248
Cash generated from working capital	**1,452**	1,856
Net cash (used in) from operating activities	-	(6)
Net (decrease) in cash and cash equivalents	-	(6)
Cash and cash equivalents, beginning of the year	**2,367**	2,373
Cash and cash equivalents, end of the year	**2,367**	2,367
Represented by:		
Cash at bank	**2,367**	2,367
	2,367	2,367

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.

MILLENIAL AUDITING
HISTORY. REPUTATION. FUTURE.

1 Legal status and business activities

1.1 **GK Exim FZE W.L.L.** (the "Entity") was registered on October 17, 2019 as Single Person Company and operates in Kingdom of Bahrain under a commercial registration number 134167-1 issued by Ministry of Industry and Commerce.

The legal status of the entity has been changed from "Single Person Company" to "With Limited Liability" w.e.f December 01, 2020.

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 Sanabis - 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 year from April 01, 2023 to March 31, 2024.

3 Changes in Material Accounting Policies

3.1 New and amended IFRS Accounting Standards that are effective for the current year

a.	Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	The Entity has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.
b.	IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	The Entity has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Entity does not have any contracts that meet the definition of an insurance contract under IFRS 17.

3 Changes in Material Accounting Policies (continued)

3.1 New and amended IFRS Accounting Standards that are effective for the current year (continued)

c.	Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies	The Entity has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, Entity-specific accounting policy information that users need to understand other information in the financial statements.
d.	Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	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.
e.	Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	The Entity has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

3.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Entity has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective and had not yet been adopted by the Entity.

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date deffered indefinitely)
Amendments to IAS 1	Non-current Liabilities with Covenants (effective from 1 Jan 2024)
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements (effective from 1 Jan 2024)
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback (effective from 1 Jan 2024)

The owner do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Entity in future periods, except if indicated below.

4 Summary of significant accounting policies

The following accounting policies have been consistently applied by the management in preparation of the financial statements, except where stated here under:

4.1 Going Concern Assumptions

The Owners have, at the time of approving the financial statements, a reasonable expectation that the Entity have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

4.2 Cash and cash equivalents

For the purpose of statement of cash flow, cash and cash equivalents comprise of cash in hand and bank balance.

4.3 Due from related party

Transactions with the various group company are included in due from related party account and are treated as part of current assets in these financial statements.

4.4 Impairment of financial assets:

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses -the expected credit loss ("ECL") model. Instruments within the scope include financial assets measured at amortised cost, such as trade receivables measured under IFRS 15. The Company considers broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

• Financial assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1");

• Financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and

• Financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

4.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the cash generating unit to which the asset belongs is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

4 Summary of significant accounting policies (continued)

4.6 Provisions & Contingencies

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 recognized 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.7 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events, not wholly within the control of the Company; or when the Company has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.8 Expenditure:

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Cost of revenue includes all the purchases and other direct costs directly attributable to the goods. Expenses are presented in the statement of comprehensive income, classified according to the function of expense i.e. selling and distribution or administrative expense.

4.9 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. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions 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. The following accounting estimates and management judgements have been considered, which are material in nature, in preparation of financial statements.

4.10 Revenue Recognition

Revenue recognition for sale of services

Goods re-export and other logistics value add services.

Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. The Owners have assessed that the stage of completion determined as the proportion of the total time expected complete satisfaction of these performance obligations under IFRS 15 Revenue from Contracts with Customers. Payment for services is not due from the customer until the services are complete and therefore a asset is recognised over the period in which the services are performed representing the Entity's right to consideration for the services performed to date.

4 Summary of significant accounting policies (continued)

4.11 IFRS 9 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. These instruments are accounted as basic financial instrument.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

• Amortised cost
• Fair value through profit or loss ("FVTPL")
• Fair value through other comprehensive income ("FVTOCI").

The above classification is determined by both:

i. The Company's business model for managing the financial asset
ii. The contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• They are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows
• The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method.

The Company's cash and cash equivalents, convertible notes receivable, other receivables except (prepayments and advances) and investments in debt and equity instruments-held for trading fall into this category of financial instruments.

a) Cash & cash equivalents:

Cash and cash equivalents comprise of balance with bank in current account.

b) Account payables:

Payables are recognised when there is an obligation to the entity to make payment for the service received, provided the supplier has fulfilled all the conditions related to provision of services.

c) Other financial assets:

Other financial assets are recognised when the Entity has right to receive the payment and they have a value on realization in the ordinary course of Entity's business, which is at least equal to the amount at which they are stated in the statement of financial position.

d) Other financial liability:

Other financial labilities 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.

4 Summary of significant accounting policies (continued)

4.11 IFRS 9 Financial Instruments (continued):

Financial assets at amortised cost (continued)

Derecognition of financial assets & financial liability

Financial assets are derecognised only when the contractual rights to the cash flows expire or substantially all the risks and rewards of ownership are transferred along with the contractual rights to receive cash flows. Financial liabilities are derecognised only when they are extinguished i.e. when the obligations specified in the contract are discharged or cancelled or expire.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

	2024	2023

5 Related party transactions

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 party. Related party comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The Entity believes that the terms of such transactions are not significantly different from those that could have been obtained from third party.

Due from related party	**Relationship**	**2024**	2023
Sakuma Exim DMCC	Holding Company	**14,159**	14,159
		14,159	14,159

Note: The above loan shown under "due from related party" is an interest-free unsecured loan with no fixed terms of repayment.

6 Cash and cash equivalents

	2024	2023
Cash at bank	**2,367**	2,367
	2,367	2,367

Note: We have not received a confirmation of balance from the Company's bank and therefore we are not sure whether all bank facilities and balances have been received and recorded in the entity's books of accounts.

7 Share capital

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:

Name	**Percentage**	**No's**	**2024**	2023
Sakuma Exim DMCC	100%	400	**20,000**	20,000
	100%	**400**	**20,000**	20,000

8 Accumulated (losses)

	2024	2023
Balance at the beginning of the year	**(7,856)**	(5,994)
Comprehensive (loss) for the year	**(1,452)**	(1,862)
Balance at the end of the year	**(9,308)**	(7,856)

		2024	2023
9	**Accounts and other payables**		
	Accounts payable	**1,580**	1,580
	Accruals and other payables	**4,254**	2,802
		5,834	4,382
10	**Operating expenses**		
	Legal, visa, professional and related expenses	**1,452**	1,248
	Rent	**-**	608
	Bank charges	**-**	6
		1,452	1,862

11 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

	As at March 31,	
	2024	2023
Financial assets at amortised cost		
Due from related party	**14,159**	14,159
Cash and cash equivalents	**2,367**	2,367
	16,526	16,526
Financial liabilities at amortised cost		
Accounts and other payables	**5,834**	4,382
	5,834	4,382

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 and certain other assets. Financial liabilities consist of accounts and other payables 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.

12 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.

12 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, 2024					
Financial assets						
Due from related party	-	-	-	14,159	-	14,159
Cash and cash equivalents	-	-	2,367	-	-	2,367
Total	**-**	**-**	**2,367**	**14,159**	**-**	**16,526**
Financial liabilities						
Accounts and other payables	-	-	-	5,834	-	5,834
Total	**-**	**-**	**-**	**5,834**	**-**	**5,834**

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, 2023					
Financial assets						
Due from related party	-	-	-	14,159	-	14,159
Cash and cash equivalents	-	-	2,367	-	-	2,367
Total	-	-	2,367	14,159	-	16,526
Financial liabilities						
Accounts and other payables	-	-	-	4,382	-	4,382
Total	-	-	-	4,382	-	4,382

12 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.

13 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.