MOORE STEPHENS

P.O. Box 10519
16th Floor, Bahrain Tower
Manama, Kingdom of Bahrain

MUKTA A2 MULTIPLEX S.P.C.

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2019

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MUKTA A2 MULTIPLEX S.P.C.

REPORT AND FINANCIAL STATEMENTS
31 March 2019

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MUKTA A2 MULTIPLEX S.P.C.

CORPORATE PROFILE

Commercial Registration Number	:	99524 - 01 to 06
Shareholder	:	Mukta Arts Private Limited
Board of Directors	:	Akshay Vashdev Bajaj Parvez Akhtar Farooqui Rahul Puri
Registered Office	:	Flat No. 423 - Building No. 1013 Road No. 2417 - Block No. 324 Manama Kingdom of Bahrain
Principal Bankers	:	State Bank of India Khaleeji Commercial Bank ICICI Bank
Independent Auditors	:	Moore Stephens Public Accountants and Consultants P.O. Box 10519 16th Floor, Bahrain Tower Manama Kingdom of Bahrain

MUKTA A2 MULTIPLEX S.P.C.
CR NO. 99524

423, JUFFAIR MALL, BUILDING NO. 1013, ROAD NO. 2417, BLOCK 324,
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REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents their report and audited financial statements of the Company for the year ended 31 March 2019.

Incorporation

Mukta A2 Multiplex S.P.C., (the "Company") was incorporated in the Kingdom of Bahrain as a Single Person Company with the Ministry of Industry, Commerce & Tourism under the commercial registration number 99524 - 01 obtained on 17 May 2016. The Company has 5 more branches under the commercial registration numbers 99524 - 02, 03, 04 and 05 obtained on 01 September 2016 and 99524 - 06 obtained on 05 September 2016. Its registered office is Flat No. 423, Building No. 1013, Road No. 2417, Block No. 324, Manama, Kingdom of Bahrain.

Principal activities

The Company is engaged in the business of motion picture projection activities and food and beverage service activities.

Review of current position, future developments and significant risks

The Company's development to date, financial performance and position are as presented in the financial statements.

The most significant risks faced by the Company and the steps taken to manage these risks, are described in note No.4 of the financial statements.

Financial performance

The Company's financial performance for the year is set out on page 7.

Share capital

The share capital of the Company consists of 500 shares of BHD 100/- each.

Events after reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Board of directors

The members of the Board of Directors as at 31 March 2019 and the Company profile are shown on page 1. All directors presently member of the Board continue in office. There were no significant changes in the assignment of responsibilities of the Board of Directors.

Independent Auditors

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Akshay Vashdev Bajaj
(Director)

Manama,
Kingdom of Bahrain, 07 May 2019

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MUKTA A2 MULTIPLEX S.P.C

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INDEPENDENT AUDITORS' REPORT

To the Shareholder of Mukta A2 Multiplex S.P.C.

Opinion

We have audited the accompanying financial statements of **Mukta A2 Multiplex S.P.C. ("the Company")**, which comprise the statement of financial position as at 31 March 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies set out on pages 6 to 26.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019 and its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to note no. 2 to the notes to the financial statements which indicates that during the year ended 31 March 2019, although the Company has made a net profit of BHD.21,431/ (31 March 2018: loss of BHD. 196,492/-) and the accumulated losses as on 31 March 2019 was BHD. 628,547/- (31 March 2018: BHD. 647,835/-). Accordingly, there is a deficit of BHD. 576,404/- (31 March 2018: BHD. 597,835/-) in the shareholders' equity. Further, as on 31 March 2019 the Company's current liabilities exceeded its current assets by BHD. 391,947/- (31 March 2018: BHD. 621,912/-). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Bahrain Commercial Companies Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued to page 4)

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INDEPENDENT AUDITORS' REPORT (continued...)

To the Shareholder of Mukta A2 Multiplex S.P.C.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued...)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that 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.

(continued to page 5)

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INDEPENDENT AUDITORS' REPORT (continued...)

To the Shareholder of Mukta A2 Multiplex S.P.C.

Report on Other Legal Requirements

In accordance with the requirements of the Bahrain Commercial Companies Law (issued on June 20, 2001), we report that,

1) Proper books of account have been kept by the Company and the financial statements are in agreement therewith.

2) We have obtained all the information and explanations we considered necessary for the purposes of our audit and we are not aware of any violations of the Baharain Commercial Companies Law, that might have had a material adverse effect on the business of the Company or on its financial position except that the equity of the Company shows a deficit of BHD. 576,404/- (31 March 2018: BHD. 597,835/-) on account of accumulated losses amounting to BHD. 628,547/- (31 March 2018: BHD. 647,835/-). In order to maintain the Company's registered share capital and reserve, as on 31 March 2019 the shareholder needs to inject additional funds amounting to BHD.628,547/-.

3) The information given in the report of the Board of Directors on page 2 is consistent with the financial statements.

Report on Anti-Money Laundering Compliance

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

1) The Company holds sufficient measures and internal control systems and procedures relevent to verifying the identity of its customers.

2) The company has not identified any suspicious transactions during the year ended 31 December 2018.

3) The Company has no relationship of any kind with any individuals or organisations listed in the United Nations Security Council Resolution or Domestic list.

4) As at the financial year ended 31 March 2019, 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.

Moore Stephens

Partner Registration No. 54
Manama, Kingdom of Bahrain,
07 May 2019

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MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2019

	Note	31/3/2019 BHD	31/3/2018 BHD
ASSETS			
Non-current assets			
Property, plant and equipment	5	**509,835**	606,745
		509,835	606,745
Current assets			
Inventories	6	**18,740**	15,224
Accounts and other receivable	7	**87,675**	92,258
Cash and bank balances	8	**127,464**	28,023
		233,879	135,505
Total assets		**743,714**	742,250
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	9	**50,000**	50,000
Statutory reserve	10	**2,143**	-
(Accumulated losses)		**(628,547)**	(647,835)
		(576,404)	(597,835)
Non - current liabilities			
Employees' leaving indemnity	11	**12,348**	7,926
Vehicle loan - non current portion	12	**3,938**	-
Term loan - non current portion	13	**120,779**	87,876
Due to related party	15 (b)	**144,663**	117,802
Loan from related party	15 (c)	**412,564**	369,064
		694,292	582,668
Current liabilities			
Vehicle loan - current portion	12	**944**	-
Term loan - current portion	13	**37,292**	43,200
Accounts and other payable	14	**587,590**	714,217
		625,826	757,417
Total equity and liabilities		**743,714**	742,250

On 07 May 2019, the Board of Directors of **Mukta A2 Multiplex S.P.C.** approved these financial statements.

Akshay Vashdev Bajaj
(Director)

MUKTA A2 MULTIPLEX S.P.C.
CR: 99524-1
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Kingdom of Bahrain

The notes on pages 10 to 26 form an integral part of these financial statements.

MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 March 2019

	Note	**31/3/2019 BHD**	31/3/2018 BHD
Income			
Revenue from contract with customers	**16**	**1,294,588**	889,191
Cost of sales		**(856,143)**	(691,476)
Gross profit		**438,445**	197,715
Other income	**17**	**74,142**	84,951
		512,587	282,666
Expenses			
Directors' remuneration	**15 (a)**	**(18,560)**	(19,200)
General and administration expenses	**18**	**(261,918)**	(248,234)
Business promotion expenses		**(71,941)**	(81,876)
Finance cost		**(33,192)**	(31,624)
Preliminary expenses written off		**-**	(5,321)
Foreign exchange gain / (loss)		**160**	10,461
Depreciation	**5**	**(105,705)**	(103,364)
		(491,156)	(479,158)
Profit / (loss) for the year		**21,431**	(196,492)
Other comprehensive income		**-**	-
Total comprehensive profit / (loss) for the year		**21,431**	(196,492)

Akshay Vashdev Bajaj
(Director)

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MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

	Share capital BHD	Statutory reserve BHD	(Accumulated losses) BHD	Total BHD
Balance - At 1 April 2017	**50,000**	**-**	**(451,343)**	**(401,343)**
Total comprehensive (loss) for the year	-	-	(196,492)	(196,492)
At 31 March 2018 / 1 April 2018	**50,000**	**-**	**(647,835)**	**(597,835)**
Total comprehensive income for the year	-	-	21,431	21,431
Transfer to statutory reserve	-	2,143	(2,143)	-
At 31 March 2019	**50,000**	**2,143**	**(628,547)**	**(576,404)**

Akshay Vashdev Bajaj
(Director)

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MUKTA A2 MULTIPLEX S.P.C.

STATEMENT OF CASH FLOWS
Year ended 31 March 2019

	31/3/2019 BHD	31/3/2018 BHD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the year	**21,431**	(196,492)
Loss on sale of property, plant and equipment	**-**	25
Depreciation	**105,705**	103,364
Cash flows from operating activities before working capital changes	**127,136**	(93,103)
Changes in operating assets and liabilities:		
(Increase) / decrease in inventories	**(3,516)**	3,286
(Increase) / decrease in accounts and other receivable	**4,583**	(36,586)
Increase / (decrease) in due to related party	**26,861**	14,779
Increase / (decrease) in loan from related party	**43,500**	132,479
Increase / (decrease) in accounts and other payable	**(126,627)**	26,677
Increase / (decrease) in employees' leaving indemnity	**4,422**	4,494
Net cash flows from operating activities	**76,359**	52,026
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	**(8,795)**	(11,476)
Net cash flows from investing activities	**(8,795)**	(11,476)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availment /(repayment) of term loan	**26,995**	(43,443)
Net availment /(repayment) of vehicle loan	**4,882**	-
Net cash flows from financing activities	**31,877**	(43,443)
Net increase / (decrease) in cash and cash equivalents	**99,441**	(2,893)
Cash and cash equivalents		
At the beginning of the year	**28,023**	30,916
At the end of the year (Refer note no. 8 to the financial statements)	**127,464**	28,023

Akshay Vashdev Bajaj
(Director)

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MUKTA A2 MULTIPLEX S.P.C.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2019

1. Incorporation and principal activities

Mukta A2 Multiplex S.P.C., (the "Company") was incorporated in the Kingdom of Bahrain as a Single Person Company with the Ministry of Industry, Commerce & Tourism under the commercial registration number 99524 - 01 obtained on 17 May 2016. The Company has 5 more branches under the commercial registration numbers 99524 - 02, 03, 04 and 05 obtained on 01 September 2016 and 99524 - 06 obtained on 05 September 2016. Its registered office is Flat No. 423, Building No. 1013, Road No. 2417, Block No. 324, Manama, Kingdom of Bahrain.

Principal activities

The Company is engaged in the business of motion picture projection activities and food and beverage service activities.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern

During the year ended 31 March 2019, although the Company has made a net profit of BHD.21,431/ (31 March 2018: loss of BHD. 196,492/-) and the accumulated losses as on 31 March 2019 was BHD. 628,547/- (31 March 2018: BHD. 647,835/-). Accordingly, there is a deficit of BHD. 576,404/- (31 March 2018: BHD. 597,835/-) in the shareholders' equity. Further, as on 31 March 2019 the Company's current liabilities exceeded its current assets by BHD. 391,947/- (31 March 2018: BHD. 621,912/-). These conditions raise a material uncertainty as to the Company's ability to continue as a going concern. The Company is dependent upon the continuing financial support of its shareholders' without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realize its assets and discharge its liabilities in the ordinary course of business.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Bahrain Commercial Companies Law (issued on June 20, 2001).
The financial statements have been drawn up from the accounting records of the company under the historical cost convention except financial assets at fair value through profit/loss. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The financial statements are presented in Bahraini Dinars.

New and amended IFRS adopted by the Company

The Company has adopted the following applicable new and amended IFRSs as of 1 January 2018:

a. IFRS 15, 'Revenue from Contracts with Customers' issued in May 2014 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates.

2. **Accounting policies (continued...)**

New and amended IFRS adopted by the Company (continued...)

The Company has applied IFRS 15 using the cumulative effect method i.e. by recognising the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings as at 1 January 2018. The comparative information has not been restated and continues to be reported in accordance with the previous accounting policy.

The impact of change in accounting policy, if any, is disclosed in the notes to the financial statements.

b. IFRS 9, 'Financial Instruments' outlines the recognition, measurement and derecognition of financial assets and financial liabilities, the impairment of financial assets and hedge accounting. Financial assets are to be measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income. The impairment model in IFRS 9 moves to one that is based on expected credit losses rather than the IAS 39 incurred loss model. The derecognition principles of IAS 39, 'Financial Instrument: Recognition and Measurement' have been transferred to IFRS 9. The hedge accounting requirements have been liberalised from that allowed previously. The requirements are based on whether an economic hedge is in existence, with less restriction to prove whether a relationship will be effective than current requirements.

The Company has elected to apply the limited exemption in IFRS 9 relating to transition for classification and measurement and impairment, and accordingly the Company has applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences, if any, arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

The impact of change in accounting policy, if any, is disclosed in the notes to the financial statements.

c. Amendments to IFRS 2, 'Share based payment' issued in June 2016 introduced a number of changes and clarifications affecting classification and measurement of share-based payment transactions. The amendment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and classification from cash-settled to equity- settled.

d. Amendments to IFRS 4, 'Insurance Contracts' issued in September 2016 address concerns over the impact of IFRS 9 'Financial Instruments', where this will be implemented before the replacement of IFRS 4, which is still under development. An entity shall apply those amendments, which include permitting insurers that meet specified criteria to apply a temporary exemption from IFRS 9 and an overlay approach.

e. IFRIC 22, 'Foreign Currency Transactions and Advance Consideration' issued in December 2016 addresses how to determine the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration in a foreign currency.

f. Amendments to IAS 40, 'Investment Property' issued in December 2016 clarify the requirement to transfer a property to or from investment property when (and only when) there is a change in use. The amendments state that the property should meet (or cease to meet) the definition of investment property, and there should be evidence of the change in use (which means more than management's intention alone).

g. Annual improvements to IFRSs (2014-2016 cycle) issued in December 2016 included the following: (1) Amendments to IAS 28, 'Investments in Associates and Joint Ventures', clarify that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. (2) IFRS 1 deleted short-term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.

Except for IFRS 15 and IFRS 9, the management believes the adoption of the above and other amendments effective for the current accounting period has not had any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements.

2. Accounting policies (continued...)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

The following standards and amendments to existing standards that are applicable to the Company have been published and are mandatory for accounting periods of the Company beginning after 1 January 2018, but which have not been adopted early by the Company:

a. IFRS 16, 'Leases' is effective for annual periods beginning on or after 1 January 2019. The scope of IFRS 16 includes leases of all assets, with certain exceptions. IFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessor accounting is substantially unchanged from accounting under IAS 17. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective transition approach. The standard's transition provisions permit certain reliefs. Early application is permitted, but not before an entity applies IFRS 15.

b. IFRS 17, 'Insurance Contracts' issued in May 2017 as replacement for IFRS 4. The standard sets out the requirements that a Company should apply in reporting information about insurance contracts it issues and reinsurance contracts it holds. The standard is effective for annual periods beginning on or after 1 January 2021.

c. Amendments to IAS 28, 'Investments in Associates and Joint Ventures' issued in October 2017 clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The amendments are effective for annual periods commencing on or after 1 January 2019.

d. IFRIC 23, 'Uncertainty over Income Tax Treatment' issued in June 2017 clarifies how to apply the recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after 1 January 2019.

e. Amendments to IFRS 9, 'Prepayment Features with Negative Compensation' enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments are effective for annual periods commencing on or after 1 January 2019.

f. Amendments to IAS 19, 'Employee Benefits' clarify the accounting for defined benefit plan amendments, curtailments and settlements. The amendments are effective for annual periods commencing on or after 1 January 2019.

g. Annual Improvements to IFRS Standards (2015-2017) Cycle – The following improvements were finalised in December 2017 and are effective for annual periods beginning on or after 1 January 2019:

· IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.

· IFRS 11 - clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

· IAS 12 - clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

· IAS 23 - clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The management believes the adoption of the above standards / amendments is not likely to have any material impact on the recognition, measurement, presentation and disclosure of items in the financial statements for future periods.

2. Accounting policies (continued...)

Revenue recognition

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, normally on delivery to the customer.

Delivery occurs when the goods have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The timing of revenue recognition, billings and collections may result in contract assets, trade receivables and contract liabilities.

Contract assets

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. Contract assets are initially recognised for revenue earned on work completed as receipt of consideration is conditional on completion of work done and acceptance by the customer, at which point the contract assets are reclassified to trade accounts receivables.

The contract assets are transferred to trade accounts receivable when the rights become unconditional (i.e. only the passage of time is required before payment of the consideration is due), which usually occurs when the Company issues an invoice to the customer.

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers prior to meeting the revenue recognition criteria or when the amount of consideration received from customers exceed the amount of revenue recognised. Contract liabilities are recognised as revenue when the Company performs under the contract.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight line method so as to write off the cost of each asset to its residual value over its estimated useful life. The major class of depreciable assets and the applicable rates are as follows:-

Leasehold improvements	5%
Machinery and equipments	10% - 20%
Furniture and fixtures	10% - 20%
Computer and accessories	20%
Concession equipments	20%
Motor vehicles	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each end of the reporting period. Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the Period in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

2. Accounting policies (continued...)

Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), 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 as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Non-derivative Financial instruments

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

Receivable

Receivables are initially measured at fair value, and are subsequently measured at amortised cost less impairment, if any. Allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and bank balances.

Accounts payable and accruals

Accounts payable are recognized for amounts to be paid in the future for goods purchased or services availed, whether billed by the supplier or not.

Financial instruments – recognition, classification, measurement, derecognition and offsetting

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

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

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

2. Accounting policies (continued...)

Non-derivative financial instruments (continued...)

(ii) Classification and subsequent measurement

Financial assets: Classification

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; or
- Fair value through profit or loss (FVTPL).

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the assets, or both.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

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

· the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

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

Financial assets: Subsequent measurement and gains and losses

· 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 the statement of comprehensive income. Any gain or loss on derecognition is recognised in the statement of comprehensive income.

2. Accounting policies (continued...)

Non-derivative financial instruments (continued...)

(ii) Classification and subsequent measurement (continued...)

· Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of comprehensive income. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of comprehensive income.

· Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of comprehensive income unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to the statement of comprehensive

· Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of comprehensive income.

<u>Financial liabilities: Classification, subsequent measurement and gains and losses</u>

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or 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 the statement of comprehensive income. 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 statement of comprehensive income. Any gain or loss on derecognition is also recognised in the statement of comprehensive income.

(iii) Derecognition

<u>Financial assets</u>

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is derecognised either when:

(i) the rights to receive cash flows from the asset have expired;

(ii) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

(iii) the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

<u>Financial liabilities</u>

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

The Company's financial liabilities include trade and other payables, term loan, bank borrowings and derivative financial instruments.

2. Accounting policies (continued...)

Non-derivative financial instruments (continued...)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- Trade accounts receivable and contract assets;
- Financial assets measured at amortised cost (other than trade receivables); and
- Debt investments at FVOCI

In case of trade receivables and contract assets, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the customers/debtors and the economic environment. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime of ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. ECL are measured in a manner that they reflect unbiased and profitability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of comprehensive income.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Cost is calculated using the first-in, first-out ('FIFO') method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Costs of inventories include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw materials.

2. Accounting policies (continued...)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight-line basis over the term of the lease.

Employees' terminal benefits

Employee's terminal benefits and entitlement to annual leave, holiday, air passage and other short term benefits are recognized as they accrue to the employees. The Company contributes to the pension scheme for Bahraini nationals administered by the General Organization for Social Insurance in the Kingdom of Bahrain. The Company's share of contribution to this funded scheme which is defined contribution scheme under IAS-19-Employee benefits, is recognised as an expense in the statement of comprehensive income.

The expatriate employees of the Company are paid leaving indemnity in accordance with the provisions of the Bahrain Labour Law for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and represents a defined benefit plan under IAS-19 has been made by calculating the notional liability had all employees left at the reporting date. The provision is classified as a non-current liability in the statement of financial position.

Foreign currency translation

1) Functional and presentation currency

Items included in the company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Bahraini Dinars (BHD), which is the company's functional and presentation currency.

2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the end of the reporting period.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Critical accounting estimates and judgements

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

The Company makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

a) Revenue from contracts with customers

The application of revenue recognition policy in accordance with IFRS 15 has required management to make judgments in identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations, timing of satisfaction of performance obligations, estimating variable consideration and identifying financing components in contracts.

3. Critical accounting estimates and judgements (continued...)

b) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period

c) Provision for obsolete and slow-moving inventory

The Company reviews its inventory records for evidence regarding the saleability of inventory and its net realizable value on disposal. The provision for obsolete and slow-moving inventory is based on management's past experience, taking into consideration the value of inventory as well as the movement and the level of stock of each category of inventory. The amount of provision is charged to profit or loss. The review of the net realisable value of the inventory is continuous and the methodology and assumptions used for estimating the provision for obsolete and slow-moving inventory are reviewed regularly and adjusted accordingly.

d) Useful life and residual value of property, plant and equipment

The Company reviews the useful life and residual value of property, plant and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on similar assets of the industry, and future economic benefit expectations of the management.

4. Financial instruments and risk management

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.The table below set out the Company's classification of each class of financial assets and financial liabilities:

	31/3/2019	31/3/2018
Financial assets	**BHD**	BHD
Trade and other receivable	**19,665**	7,790
Deposits and other receivable	**64,603**	81,351
Cash and bank balances	**127,464**	28,023
	211,732	117,164
Financial liabilities		
Trade payable	**54,324**	95,918
Accrued expenses and other payable	**523,383**	607,109
Vehicle loan	**4,882**	-
Term loan	**158,071**	131,076
Loan from related party	**412,564**	369,064
Due to related party	**144,663**	117,802
	1,297,887	1,320,969

Financial risk factors

The risk management policies employed by the Company to manage the financial risks are discussed below:

4.1) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

4. Financial instruments and risk management (continued...)

4.1) Credit risk (continued...)

The maximum exposure to credit risk at the end of the reporting period was:

	31/3/2019	31/3/2018
	BHD	BHD
Trade receivable	**19,665**	7,790
Other receivable	**64,603**	81,351
Bank balances	**122,797**	23,743
	207,065	112,884

The ageing of fee receivable at the reporting date was:

	Gross	**Impairment**	Gross	Impairment
	31/3/2019	**31/3/2019**	31/3/2018	31/3/2018
	BHD	**BHD**	BHD	BHD
0 - 30 days	**19,665**	-	7,790	-
30 - 60 days	-	-	-	-
More than 60 days	-	-	-	-
	19,665	-	7,790	-

4.2) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's income or the value of its holdings of financial instruments.

4.3) Interest risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets and liabilities. The loan from related party bears a fixed annual interest rate.

4.4) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company does not have any significant currency risk as the Company's transactions are in Bahraini Dinars.

4.5) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

4.6) Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in arm's length transaction. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book values under the historical method and fair estimates.

The fair value of the Company's financial instruments and assets and liabilities are not materially different from their carrying values.

4.7) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from inability to sell a financial asset quickly at close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available, to meet any future commitments.

4. Financial instruments and risk management (continued...)

4.7) Liquidity risk (continued...)

31/3/2019	**Carrying amount BHD**	**Contractual undiscounted cash flows BHD**	**Within 6 months BHD**	**6 to 12 months BHD**	**More than 12 months BHD**
Trade payable	**54,324**	**54,324**	**54,324**	-	-
Accrued expenses	**197,095**	**197,095**	**197,095**	-	-
Other payable	**326,288**	**326,288**	**326,288**	-	-
Vehicle loan	**4,882**	**6,168**	**696**	**696**	**4,776**
Term loan	**158,071**	**193,088**	**19,774**	**26,272**	**147,042**
Loan from related party	**412,564**	**437,318**	**-**	**-**	**437,318**
Due to related party	**144,663**	**144,663**	**-**	**-**	**144,663**
	1,297,887	**1,358,944**	**598,177**	**26,968**	**733,799**

31/3/2018	Carrying amount BHD	Contractual undiscounted cash flows BHD	Within 6 months BHD	6 to 12 months BHD	More than 12 months BHD
Trade payable	95,918	95,918	95,918	-	-
Accrued expenses	248,844	248,844	248,844	-	-
Other payable	358,265	358,265	358,265	-	-
Term loan	131,076	138,941	22,898	22,898	93,145
Loan from related party	369,064	391,208	-	-	391,208
Due to related party	117,802	117,802	-	-	117,802
	1,320,969	1,350,978	725,925	22,898	602,155

5. Property, plant and equipment

	Leasehold improvements BHD	Machinery & equipments BHD	Furniture & fixtures BHD	Computer & accessories BHD	Concession equipments BHD	Motor vehicles BHD	Total BHD
Cost:							
Balance - 1 April 2017	**216,872**	**386,110**	**83,701**	**19,727**	**22,007**	**25,808**	**754,225**
Additions	-	8,599	-	2,726	151	-	11,476
Disposals	-	-	(36)	-	-	-	(36)
At 31 March 2018/1 April 2018	**216,872**	**394,709**	**83,665**	**22,453**	**22,158**	**25,808**	**765,665**
Additions	-	2,107	450	520	634	5,084	8,795
At 31 March 2019	**216,872**	**396,816**	**84,115**	**22,973**	**22,792**	**30,892**	**774,460**
Depreciation:							
Balance - 1 April 2017	**5,882**	**36,495**	**5,862**	**2,140**	**2,388**	**2,800**	**55,567**
Charged during the year	10,844	67,642	10,806	4,481	4,430	5,161	103,364
Disposals	-	-	(11)	-	-	-	(11)
At 31 March 2018/1 April 2018	**16,726**	**104,137**	**16,657**	**6,621**	**6,818**	**7,961**	**158,920**
Charged during the year	10,844	69,292	10,841	4,495	4,453	5,780	105,705
At 31 March 2019	**27,570**	**173,429**	**27,498**	**11,116**	**11,271**	**13,741**	**264,625**
Net book amount:							
At 31 March 2019	**189,302**	**223,387**	**56,617**	**11,857**	**11,521**	**17,151**	**509,835**
At 31 March 2018	200,146	290,572	67,008	15,832	15,340	17,847	606,745

6. Inventories

	31/3/2019 BHD	31/3/2018 BHD
Stock of food items, beverages etc.	**18,740**	15,224
	18,740	15,224

7. Accounts and other receivable

	31/3/2019 BHD	31/3/2018 BHD
Accounts receivable	**19,665**	7,790
Deposits	**47,850**	45,850
Prepayments	**1,180**	856
Advances	**2,227**	2,261
Other receivable	**16,753**	35,501
	87,675	92,258

8. Cash and bank balances

	31/3/2019 BHD	31/3/2018 BHD
Cash in hand	**4,667**	4,280
Bank balances	**122,797**	23,743
	127,464	28,023

9. Share capital

	Share Percentage	Number of Shares	31/3/2019 BHD	31/3/2018 BHD
Mukta Arts Private Limited	**100%**	**500**	**50,000**	50,000
	100%	**500**	**50,000**	50,000

The share capital of the Company consists of 500 shares at BHD. 100/- each.

10. Statutory reserve

Under the provisions of Bahrain Commercial Companies Law 21/2001, an amount equivalent to 10% of the Company's net profit before appropriations is required to be transferred to a non distributable reserve account until such time an amount equal to 50% of the share capital is set aside. During the year, an amount of BHD. 2,143/- has been transferred to the reserve.

11. Employees' leaving indemnity

	31/3/2019 BHD	31/3/2018 BHD
Balance - At 1 April	**7,926**	3,432
Net movements during the year	**4,422**	4,494
Balance - At 31 March	**12,348**	7,926

12. Vehicle loan

	31/3/2019 BHD	31/3/2018 BHD
Non - current portion	**3,938**	-
Current portion	**944**	-
	4,882	-

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2019

13. Term loans

	31/3/2019	31/3/2018
	BHD	BHD
Non - current portion	**120,779**	87,876
Current portion	**37,292**	43,200
	158,071	131,076

Movements during the year:

	31/3/2019	31/3/2018
	BHD	BHD
Balance - At 1 April	**131,076**	174,519
Obtained during the year	**146,730**	-
Repaid during the year	**(119,735)**	(43,443)
Balance - At 31 March	**158,071**	131,076

The above loans are secured by the following:

a) Creation of charge in the Ministry of Transport in favour of the bank for the vehicles financed.

b) Unconditional and irrevocable SBLC/bank guarantee from Yes Bank India having value equal to 103% of the facilty amount.

14. Accounts and other payable

	31/3/2019	31/3/2018
	BHD	BHD
Accounts payable	**54,324**	95,918
Accrued expenses	**197,095**	248,844
Provision for leave salary and air passage	**9,883**	11,190
Other payable	**322,477**	358,265
VAT payable (net)	**3,811**	-
	587,590	714,217

Other payable represents amount payable towards purchase of property, plant and equipment and temporary advance amounting to BHD. 44,514/-.

15. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These represent transactions with shareholders, directors and key management of the Company, and entities in which they have significant influence or control.

Transactions with key management personnel

Key management personnel of the company comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel are the Directors and compensation paid to them during the year is as follows:

a) Directors' remuneration and allowances

	31/3/2019	31/3/2018
	BHD	BHD
Akshay Vashdev Bajaj	**18,560**	19,200
	18,560	19,200

15. Related parties (continued...)

b) Due to related party

	31/3/2019	31/3/2018
	BHD	BHD
Mukta Arts Private Limited	144,663	117,802
	144,663	117,802

Due to related party represents expenses met by the related party on behalf of the Company. The above balance is unsecured, interest free and repayable on demand.

c) Loan from related party

	31/3/2019	31/3/2018
	BHD	BHD
Mukta Arts Private Limited	412,564	369,064
	412,564	369,064

The above loan from related party bears an interest rate of 6% per annum and is repayable after one year.

16. Revenue from contracts with customers

The following sets out the disaggregation of the Company's revenue from contracts with customers:

	31/3/2019	31/3/2018
	BHD	BHD
a) Type of goods or services		
Box office sales	1,025,353	690,574
Food and beverage sales	269,235	198,617
	1,294,588	889,191
b) Timing of satisfaction of performance obligation		
Goods, properties and services transferred at point in time	1,294,588	889,191
Services and properties transferred over time	-	-
	1,294,588	889,191
c) Customer relationship		
Third party customers	1,294,588	889,191
Related party customers	-	-
	1,294,588	889,191

17. Other income

	31/3/2019	31/3/2018
	BHD	BHD
Screen advertising	27,133	73,181
Convenience fee	6,113	5,218
Interest income	653	255
Miscellaneous income	4,261	6,297
Reversal of excess provision	27,550	-
Tamkeen grant	8,432	-
	74,142	84,951

18. General and administration expenses

	31/3/2019 BHD	31/3/2018 BHD
Staff cost	**211,529**	210,012
Communication	**3,745**	4,170
Printing and stationery	**1,301**	775
Legal and professional	**5,752**	4,026
Repairs and maintenance	**12,638**	6,678
Travelling expenses	**3,449**	1,415
Vehicle running and maintenance expenses	**5,980**	3,503
Security charges	**7,318**	9,196
Discount and commission	**4,557**	2,223
Office expenses	**5,649**	6,236
	261,918	248,234

19. Rounding off of figures

All figures have been rounded off to the nearest Bahraini Dinars.

20. Contingent liability

As at 31 March 2019, there were no contingent liabilities arising in the ordinary course of the business, which are expected to give rise to any loss.

21. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/3/2019 BHD	31/3/2018 BHD
Within one year	**147,600**	144,000
Between one and five years	**594,000**	583,200
After five years	**1,987,920**	2,146,320
	2,729,520	2,873,520

The period of lease is 20 years starting from 01 January 2016 with 10% rent escalation every five years.

22. Events after reporting period

There were no events after the reporting period, which have a bearing on the understanding of the financial statements.

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