Building System Solution Trading
With Limited Liability
Doha - Qatar

Financial statements
For the period covering from November 09, 2015 to March 31, 2017
with
Independent Auditor's Report

Office No. 4, 2nd Floor
B-ring Road Bldg
Al Muntazah Area
P.O. Box 40344
Doha, Qatar

Tel +974 4498-9453
Fax +974 4498-9042
Email inquiry@uhy-qa.com
Web www.uhy-qa.com

Independent Auditor's Report

The partners,
Building System Solution Trading
With Limited Liability
Doha - Qatar

Opinion

We have audited the financial statements of Building System Solution Trading – With Limited Liability (the Company), which comprise the statement of financial position as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the period from November 09, 2015 to March 31, 2017, 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, 2017, and its financial performance and its cash flows for the period from November 09, 2015 to March 31, 2017 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of matter

Without qualifying our opinion,

- We bring your kind attention to note 3/2 to the accompanying financial statements. The financial statement has been presented by bifurcating into two successive periods to suit the specific requirement of the management of the company.

- We bring your kind attention to note 16 to the financial statements. The Company has incurred accumulated losses of QR 1,119,329 as of March 31, 2017. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.
Management is 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.

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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Management 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.

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion, proper books of account have been kept by the company. Also, we have obtained the information and explanations that we required for the purpose of our audit and the financial statements incorporate the information that is required by the Companies' Law no. 11 of year 2015 and the company's memorandum of association. According to the information available to us, there were no violations have occurred of either the Companies' Law no. 11 of year 2015 or of the company's memorandum of association during the year that might have had a material effect on the company's business or its financial position.

الدوحه _ قطر
ص.ب 40344

Abdullah Mubarak Al-Moadhadi
License No. 300
UHY – AMMO and Co.

May 9, 2017
Doha - Qatar

Building System Solution Trading
With Limited Liability
Doha - Qatar

Statement of financial position as of March 31, 2017

	Note	March 31, 2017 QR	March 31, 2016 QR
Assets			
Current assets			
Cash and cash equivalents	5	44,891	118,198
Receivables and other debit balances	6	641,784	199,812
Inventories		378,672	-
Total current assets		1,065,347	318,010
Non-current assets			
Property and equipment	7	1,886	-
Total assets		1,067,233	318,010
Liabilities and equity			
Current liabilities			
Payables and other credit balances	8	165,425	-
Due to related party	9	1,304,920	61,773
Unsecured loans	10	516,217	300,000
Total liabilities		1,986,562	361,773
Equity			
Share capital	11	200,000	200,000
Accumulated losses		(1,119,329)	(243,763)
Total equity		(919,329)	(43,763)
Total liabilities and equity		1,067,233	318,010

The accompanying notes form an integral part of these financial statements

Statement of profit or loss and other comprehensive income for the period from November 09, 2015 to March 31, 2017

	Note	Year ended March 31, 2017	Period from November 9, 2015 to March 31, 2016
		QR	QR
Revenue			
Revenue		1,172,948	-
Direct cost		(1,064,308)	-
Gross profit		108,640	-
Expenses and other charges			
General and administrative expenses	13	(827,619)	(150,011)
Sponsorship fees		(156,248)	(93,752)
Depreciation of property and equipment		(339)	-
Total expenses and other charges		(984,206)	(243,763)
Net loss for the year/period		(875,566)	(243,763)
Other comprehensive income		-	-
Total comprehensive loss for the year/period		(875,566)	(243,763)

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

Building System Solution Trading
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Statement of cash flows for the period from November 09, 2015 to March 31, 2017

	Year ended March 31, 2017	Period from November 9, 2015 to March 31, 2016
	QR	QR
Operating activities		
Net loss for the year/period	**(875,566)**	(243,763)
Adjustments for:		
Depreciation of property and equipment	**339**	-
	(875,227)	(243,763)
Adjustments for working capital changes:		
Receivables and other debit balances	**(441,972)**	(199,812)
Inventories	**(378,672)**	-
Payables and other credit balances	**165,425**	-
Due to related party	**1,243,147**	61,773
Net cash used in operating activities	**(287,299)**	(381,802)
Investing activities		
Acquisition of property and equipment	**(2,225)**	-
Net cash used in investing activities	**(2,225)**	-
Financing activities		
Paid-up capital	**-**	200,000
Unsecured loans	**216,217**	300,000
Net cash from financing activities	**216,217**	500,000
Net (decrease)/increase in cash and cash equivalents	**(73,307)**	118,198
Cash and cash equivalents at beginning of the year/period	**118,198**	-
Cash and cash equivalents at end of the year/period	**44,891**	118,198

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

Building System Solution Trading
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Statement of changes in equity for the period from November 09, 2015 to March 31, 2017

	Share capital	Accumulated losses	Total
	QR	QR	QR
Introduction of share capital	200,000	-	200,000
Net loss for the period	-	(243,763)	(243,763)
Balance at March 31, 2016	200,000	(243,763)	(43,763)
Balance at April 1, 2016	200,000	(243,763)	(43,763)
Net loss for the year	-	(875,566)	(875,566)
Balance at March 31, 2017	**200,000**	**(1,119,329)**	**(919,329)**

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

1- Corporation and activity

Building System Solution Trading was established on November 09, 2015 in the State of Qatar and registered under commercial registration No. 77228 as a limited liability company.

The main activity of the company is trading of construction materials.

The company's financial statements for the period from November 09, 2015 to March 31, 2017 were authorized for issue by the partners on May 9, 2017.

2- Application of new and revised International Financial Reporting Standards (IFRSs)

The following amendments to IFRS and new IFRSs have been applied by the company in preparation of these financial statements. The below were effective from 1 March 2016:

Standard:

- IFRS 14: Regulatory Deferral Accounts.
- Amendments to IFRS 11: Joint Arrangements: Accounting for Acquisition of Interests.
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization.
- Amendments to IAS 27: Equity Method in Separate Financial Statements.
- Amendments to IAS 1: Disclosure Initiative.
- Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the Consolidation Exception.
- Annual Improvements 2012 - 2014 Cycle.

The adoption of the above did not result in any changes to previously reported net profit or equity of the company.

Standards issued but not yet effective:

The below mentioned standards, interpretations and amendments to standards are not yet effective. The company will adopt these new standards on the respective effective dates.

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Effective 01/01/2017).
- Amendments to IAS 7: Disclosure Initiative (Effective 01/01/2017).
- IFRS 15: Revenue from Contracts with Customers (Effective 01/01/2018).
- IFRS 9: Financial Instruments (Effective 01/01/2018).
- IFRS 16: Leases (Effective 01/01/2019).

The company is currently evaluating the impact of these new standards.

3- Significant accounting policies

3/1) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the requirements of applicable laws in State of Qatar.

3/2) Basis of preparation

- The financial statements are prepared under the historical cost convention following the accrual basis.
- The financial statements are prepared in Qatari Riyal.
- The financial statement has been presented by bifurcating into two successive periods to suit the specific requirement of the management of the company.

3/3) Critical accounting estimates

The company makes estimates and assumptions concerning the future. The preparation of financial statements in conformity with IFRS requires management to make estimates and 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 revenue and expenses during the year. Although these estimates are based on management's best knowledge of current events, actual results may differ from those estimates.

3/4) Recognition and de-recognition of financial assets and liabilities

A financial asset or a financial liability is recognized when the company become a party to the contractual provisions of the instrument. A financial asset is de-recognized either when the contractual rights to cash flows from the financial asset expire, the company has transferred substantially all the risks and rewards of ownership or when it has neither transferred no retained substantially all the risks and rewards, but no longer has control over the asset or a proportion of the asset.

A financial liability is de-recognized when the obligation specific in the contract is discharged, cancelled or expired.

3/5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short-term bank deposits with a maturity date not exceeding three months from the date of deposit.

3/6) Receivables

Receivables are stated at their nominal value, less an allowance for any doubtful debts. Management determines the adequacy of the allowance based upon reviews of individual customers, current economic conditions, past experience and other pertinent factors.

3/7) Inventories

Inventories are valued at the lower cost or net realizable value after making allowance for any slow moving and obsolete stock. Purchase cost includes the purchase price, import duties, transportation, handling and other direct costs.

3/8) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. The realizable values of property and equipment are reviewed at each financial position date to determine whether the book value exceeds the realizable value in which case the book value is written down to the realizable value. If the useful lives of fixed assets are different from the estimated lives of those assets, then the useful lives are adjusted from the beginning of the year in which the change occurred without going into retroactive periods.

Property and equipment are depreciated on straight-line basis to reduce the value of the property to its residual value over their estimated useful as follows:

Computer	33.33%

3/9) Impairment of tangible assets

- At each financial position date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the impairment is recorded in the statement of profit or loss. The impairment loss represents the difference between the carrying value of the asset and the estimated recoverable amount of the asset.
- 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. Value in use represents the estimated future cash flows discounted at an appropriate discount rate.
- An impairment loss recognized in prior periods for an asset shall be reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of the asset shall be increased to its recoverable amount. Reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

3/10) Payables

Payables and liabilities are recognized for amounts to be paid in the future for goods/ services received, whether billed by the supplier or not.

3/11) Provisions

Provision is recognized when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of the resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each financial position date and adjusted to reflect the current best estimate.

3/12) **Provision for end of service indemnity**

Provision for staff end of service indemnity is computed as per the Labor Law in the private sector and the concluded contracts and on the assumption of ending the services of all staff at the financial position date. This obligation is not funded. The management expects that based on this method of calculation a reasonable estimate is made of the obligation of the company towards employees indemnity for past and current periods.

3/13) **Borrowing costs**

Interest on loans is calculated in the accrual basis and recognized in the statement of profit or loss in the period in which it is incurred.

3/14) **Revenue recognition**

- Revenue is recognized on a time proportion basis as services are provided. Fees paid in advance are deferred and are taken to income when the related services is provided.

- Other categories of income are recognized when earned, at the time the related services are rendered and/or on the basis of the terms of the contractual agreement of each activity.

3/15) **Translation of foreign currencies**

- The functional currency of the Company is the Qatari Riyal ("QR") and accordingly, the financial statements are presented in QR. Transactions denominated in foreign currencies are translated into QR at the average rates of exchange prevailing during the year. Monetary assets and liabilities denominated in foreign currencies are translated into QR at rates of exchange prevailing at the financial position date. The resultant exchange differences are taken to the statement of profit or loss.

- Non-monetary assets and liabilities measured at fair value in a foreign currency are translated to Qatari Riyal at the exchange rates prevailing at the date of determining fair value. For non-monetary assets where the related change in fair value is recognized directly in equity, all foreign exchange differences are recognized directly in equity. In addition, for non-monetary assets where the related change in fair value is recognized in the statement of profit or loss, all foreign exchange differences are recognized in the statement of profit or loss.

3/16) **Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but disclosed when an inflow of economic benefits is probable.

4- Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual figures may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgments 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.

4/1) Key sources of estimation uncertainty

A) Allowances for credit losses

Assets accounted for at amortized cost are evaluated for impairment on a basis described in accounting policy.

The specific counterparty component of the total allowances for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgments about counterparty's financial situation and the net realizable value of any underlying collateral.

Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the Credit Risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and advances to customers and investment securities measured at amortized cost with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified. In assessing the need for collective loss allowances, management considers factors such as credit quality, portfolio size, concentrations and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the allowances depends on the estimates of future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

B) Determining fair value

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

4/2) Critical accounting judgments in applying the company's accounting policies

A) Valuation of financial instruments

The company's accounting policy on fair value measurements is discussed in the significant accounting policies section.

The company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument' valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments the company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

B) Financial asset and liability classification

The company's accounting policies provide scope for assets and liabilities to be designated at inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as trading, the company has determined that it meets the description of trading assets and liabilities set out in accounting policies.

- In designating financial assets at fair value through profit or loss, the company has determined that it has met one of the criteria for this designation set out in accounting policies.

- In classifying financial assets as held-to-maturity, the company has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policies.

C) Useful lives of property and equipment

The company's management determines the estimated useful life of property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset, physical wear and tear, technical or commercial obsolescence.

D) Useful lives of intangible assets

The company's management determines the estimated useful life of its intangible assets for calculating amortization. This estimate is determined after considering the expected economic benefits to be received from the use of intangible assets.

5- Cash and cash equivalents

	March 31, 2017	March 31, 2016
	QR	QR
Cash in hand	**536**	-
Cash at banks	**44,355**	118,198
	44,891	118,198

6- Receivable and other debit balances

	March 31, 2017 QR	March 31, 2016 QR
Account receivables	641,784	-
Prepaid expenses	-	173,232
Security deposit	-	26,580
	641,784	199,812

7- Property and equipment

	Computer QR	Total QR
Cost		
Additions	2,225	2,225
Balance as on March 31, 2017	2,225	2,225
Accumulated depreciation		
Charged for the period	339	339
Balance as on March 31, 2017	339	339
Net book value as on March 31, 2017	1,886	1,886

8- Payables and other credit balances

	March 31, 2017 QR	March 31, 2016 QR
Accounts payable	130,271	-
Accrued expenses	35,154	-
	165,425	-

9- Related parties transactions

Related parties ordinarily comprised of partners, executive officers and senior management members of the company, their families and companies of which they are the principal partners. The company's management decides on the terms and conditions of the transactions and services received/ rendered from/to related parties besides other expenses. Amounts due from/to related parties are interest free and without maturity dates.

The balances with related parties during the year are as follows:

Statement of financial position	**March 31, 2017**	March 31, 2016
	QR	QR
Due to related party:		
Pidilite MEA Chemicals LLC	**1,304,920**	61,773

10- Unsecured loans

	Relationship	**March 31, 2017**	March 31, 2016
		QR	QR
Pidilite Middle East Limited	**Partner**	**300,000**	300,000
Pidilite MEA Chemicals LLC	**Related party**	**216,217**	-
		516,217	300,000

11- Share capital

	%	**March 31, 2017**
		QR
Mohamed Khalifa Abdullah Al Sadah	**51%**	**102,000**
Pidilite Middle East Limited	**49%**	**98,000**
	100%	**200,000**

12- Statutory reserve

As required by the Companies' Law and Company's memorandum of association, 10% of net profit for the year has to be transferred to statutory reserve. Such transfer may be discontinued when the reserve reaches 50% of share capital. This reserve is not available for distribution except in cases stipulated by the Law and memorandum of association. No such transfer has been made due to losses incurred during the period.

13- General and administrative expenses

	Year ended March 31, 2017	Period from November 9, 2015 to March 31, 2016
	QR	QR
Employee cost	388,726	-
Rent	362,147	70,678
Government fees	12,626	63,893
Communication	7,279	-
Maintenance	1,700	-
Bank Charges	2,282	80
Printing & Stationery	5,227	360
Fuel	5,248	-
Transportation	863	-
Professional Fees	32,340	15,000
Other Expenses	9,181	-
	827,619	150,011

14- Financial instruments and risks management

A) Financial instruments:

Details of the significant accounting policies – including the criteria for measurement and recognition of revenue and expenses – in respect of each class of financial assets and liabilities are disclosed in note (3) to the financial statements.

Categories of financial instruments

The company's financial assets and liabilities are categorized in the statement of financial position as follows:

	March 31, 2017	March 31, 2016
	QR	QR
Financial assets		
Cash and cash equivalents	44,891	118,198
Receivables and other debit balances	641,784	199,812
	686,675	318,010

	March 31, 2017	March 31, 2016
	QR	QR
Financial liabilities		
Payables and other credit balances	165,425	-
Due to related party	1,304,920	61,773
Unsecured loans	516,217	300,000
	1,986,562	361,773

Fair value of financial instruments
Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The company used recognized assumptions and methods to estimate the fair value of the financial instruments. The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of other financial assets and financial liabilities with standard terms and conditions and trade on active liquid markets is determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar financial instruments.

The fair values of financial instruments carried at amortized cost are not significantly different from their carrying values.

B) Financial risks management
The company's use of financial instruments exposes it to financial risks such as market risks, credit risks and liquidity risks. The company continuously reviews its risk exposures and takes the necessary steps to limit these risks to acceptable levels.

The significant risks that the company is exposed to are discussed below:

- **Market risks**
Market risk results from the fluctuation of its components such as foreign currency rates, interest rates and equity prices. Management evaluates these risks periodically in order to minimize its effects on the company's financial instruments.

Foreign currency risks
Foreign currency risks arise from transactions with foreign currencies other than the functional currency of the company. The company manages these risks by setting policy parameters on transactions in foreign currencies.

Interest rate risks
Interest rate risks are the risks that the fair value or future cash flows of a financial instrument will fluctuate due to changes on interest rates in the market.

Interest rate risks arise from long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risks.

The sensitivity of interest rates measures the effect of anticipated changes in interest rates over the financial charges for one year based on the financial liabilities which interest charged and have been kept at the end of the year.

Equity price risks
Equity price risks are the risks that the fair values of equities will fluctuate as a result of changes in the level of equity indices and the value of individual stocks. These risks results due to the change in the fair value of the investments in stocks.

Currently, the company is not exposed to equity price risk, as it does not retain any financial securities.

- **Credit risks**
  Credit risks are the risks that one party to a financial instrument will fail to discharge an obligation causing the other party to incur a financial loss. Financial assets, which potentially subject the company to credit risks, consist principally of bank balances and receivables. The cash deposited at various local banks to avoid credit concentration with only one bank. The receivables are presented net of allowance for doubtful debts (if any).

- **Liquidity risks**
  Liquidity risks are the risks that the company will be unable to meet its obligations when due. To minimize liquidity risks, management monitors liquidity periodically by forecasting future cash flow.

  The maturity of liabilities stated below is based on the period from the financial position date to the contractual maturity date. In case liabilities that do not have a contractual maturity date, the maturity is based on management's estimate of the settlement of liabilities.

  The maturity analysis of liabilities is as follows:

	March 31, 2017		
	Within one year	**More than one year**	**Total**
	QR	**QR**	**QR**
Payables and other credit balances	**165,425**	**-**	**165,425**
Due to related party	**1,304,920**	**-**	**1,304,920**
Unsecured loan	**516,217**		**516,217**
	1,986,562	**-**	**1,986,562**

	March 31, 2016		
	Within one year	More than one year	Total
	QR	QR	QR
Due to related party	61,773		61,773
Unsecured loan	300,000		300,000
	361,773		361,773

15- Capital risks management

The company's objectives when managing capital are:

- To safeguard the company's ability to continue as a going concern to be able to provide returns to the partners and benefits to other beneficiaries.
- To maintain optimal returns to the partners by pricing products and services commensurately with risk level.

The company determines share capital that is adequate for risks, manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the partners or sell assets to reduce debt.

16- Going concern

The Company has incurred accumulated losses of QR 1,119,329 as of March 31, 2017. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. However these financial statements have been prepared on going concern basis because of undertaking provided by the management to continue to extend financial assistance as and when needed to enable the Company to operate as a going concern.