# CONFIDENTIAL

**Management Report**
**On**
**Auditors' Report and Statement**
**of**
**MKC Agrofresh (BD) Limited**
**For the year ended 31 March 2025**

Alam Farhana & Co.
CHARTERED ACCOUNTANTS

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**MKC Agrofresh (BD) Limited**

**For the year ended 31 March 2025**

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**Management Report on the Statement of MKC Agrofresh (BD) Limited**

**For the Year Ended 31 March 2025**

## Executive Summary

The Board of Directors is pleased to present the Management Report of MKC Agrofresh (BD) Limited for the year ended 31 March 2025. This report provides shareholders and other stakeholders with an overview of the Company's operations, financial performance, financial position, risk management practices, corporate governance, and future outlook. The report should be read together with the audited financial statements and accompanying notes prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted in Bangladesh.

## Principal Activities

MKC Agrofresh (BD) Limited is principally engaged in the importation of fresh fruits and their distribution and sale in the local market. The Company remains committed to supplying quality imported fruits while maintaining sound business practices and creating long-term value for its stakeholders.

## Review of Operations

During the financial year, the Company continued its business operations under challenging market and economic conditions. Management remained focused on maintaining operational readiness, strengthening supplier relationships, and preserving the Company's business infrastructure despite the limited level of trading activities.

The Company continued to emphasize prudent financial management, efficient utilization of available resources, and effective monitoring of its working capital. Management also reviewed business strategies aimed at expanding future commercial operations and improving operational efficiency.

## Financial Performance

The financial performance for the year reflects a challenging operating environment. During the reporting period, the Company did not generate operating revenue, while finance expenses, particularly foreign exchange losses and interest costs, significantly affected profitability. Consequently, the Company incurred a net loss for the year.

Management recognizes the importance of restoring profitability and continues to evaluate various strategic initiatives to strengthen revenue generation, improve operational performance, optimize financing arrangements, and reduce financial risks. Particular emphasis is being placed on expanding business activities, improving cost efficiency, and enhancing financial sustainability.



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**Financial Position**

As at 31 March 2025, the Company maintained total assets comprising property, plant and equipment, accounts receivable, and cash and cash equivalents. However, accumulated losses resulted in a negative shareholders' equity position.

Current liabilities increased primarily due to additional short-term financing and outstanding obligations to related parties. Management continues to closely monitor the Company's financial position and believes that the existing asset base, together with shareholder support, provides an appropriate foundation for future business operations.

**Liquidity and Capital Resources**

Management continuously monitors the Company's liquidity requirements to ensure that adequate financial resources are available to meet operational obligations. Cash flow management remains a key priority, and appropriate financing arrangements are maintained to support business continuity.

The Company continues to rely on shareholder support and short-term financing where necessary to meet working capital requirements while pursuing opportunities to strengthen its capital structure through improved business performance.

**Risk Management**

The Board of Directors recognizes that effective risk management is essential for achieving the Company's strategic objectives. The principal risks faced by the Company include:

- Credit Risk
- Liquidity Risk
- Market Risk
- Foreign Currency Risk
- Interest Rate Risk
- Regulatory Compliance Risk

Management regularly reviews these risks and has implemented appropriate internal control procedures and financial management policies designed to minimize their potential impact. Continuous monitoring and periodic assessment of risk exposures remain integral components of the Company's governance framework.



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**Internal Control and Corporate Governance**

The Board of Directors is responsible for establishing and maintaining an effective system of internal control designed to safeguard the Company's assets, ensure compliance with applicable laws and regulations, and maintain the integrity of financial reporting.

Management remains committed to strengthening corporate governance through transparent decision-making, accountability, ethical business practices, and compliance with the Companies Act, 1994, IFRSs, and other applicable regulatory requirements.

**Sustainability and Future Outlook**

Despite the financial challenges experienced during the year, the Board remains optimistic regarding the Company's future prospects. Management intends to focus on expanding commercial activities, strengthening supplier and customer relationships, improving operational efficiency, managing financial risks, and enhancing revenue generation.

The Company will continue to pursue prudent financial planning, effective cost management, and sustainable business strategies to restore profitability and create long-term value for shareholders.

**Acknowledgement**

The Board of Directors expresses its sincere appreciation to the shareholders, business partners, financial institutions, employees, auditors, regulators, and other stakeholders for their continued confidence, cooperation, and support. Their commitment remains vital to the Company's future growth and long-term success.

Place: Dhaka
Date: 27 July 2026

**Alam Farhana & Co.**
Chartered Accountants



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## MKC AGROFRESH (BD) LIMITED

Provisional Statement of Financial Position

As at 31 March 2025

| Particulars | Notes | Amount in Taka | |
|---|---|---|---|
| | | 31 Mar 2025 | 31 Mar 2024 |
| **Assets** | | | |
| **Non Current Assets** | | **123,900** | **123,900** |
| Property, Plant & Equipment | | 123,900 | 123,900 |
| **Current Assets** | | **14,575,387** | **14,586,887** |
| Accounts Receivable | 4 | 14,557,697 | 14,567,697 |
| Cash and Cash Equivalents | 5 | 17,690 | 19,190 |
| **Total Assets** | | **14,699,287** | **14,710,787** |
| **Shareholder's Equity and Liabilities** | | | |
| **Shareholder's Equity** | | **(5,681,771)** | **(3,106,899)** |
| Share Capital | 6 | 100,000 | 100,000 |
| Retained Earnings | | (5,781,771) | (3,206,899) |
| **Total Shareholder's Equity** | | **(5,681,771)** | **(3,106,899)** |
| **Current Liabilities** | | **20,381,058** | **17,817,686** |
| Short Term Loan | 7 | 8,456,543 | 7,080,803 |
| Accounts Payable | 8 | 11,890,015 | 10,702,383 |
| Liabilities for Expenses | 10 | 34,500 | 34,500 |
| **Total Shareholder's Equity and Liabilities** | | **14,699,287** | **14,710,787** |

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

**Managing Director** **Director**

Signed in terms of our report of even date annexed.

Alam Farhana & Co.
Chartered Accountants

Place: Dhaka
Date: 27 July 2026

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## MKC AGROFRESH (BD) LIMITED

Provisional Statement of Profit or Loss and Other Comprehensive Income

For the period from 01 April 2024 to 31 March 2025

| Particulars | Notes | Amount in Taka | |
|---|---|---|---|
| | | 31 Mar 2025 | 31 Mar 2024 |
| **Income** | | | |
| Revenue | | - | - |
| Less: Cost of Sales | | - | - |
| **Gross Profit** | | - | - |
| Less: Operating and Other Expenses | | - | - |
| **Operating Profit / (Loss)** | | - | - |
| Less: Finance Expense | 11 | 2,574,872 | 5,286,654 |
| **Net Profit / (Loss) before Tax** | | **(2,574,872)** | **(5,286,654)** |
| Less: Income Tax Expenses | | - | - |
| **et Profit / (Loss) after Tax** | | **(2,574,872)** | **(5,286,654)** |
| Add: Other Comprehensive Income | | - | - |
| **Net Profit / (Loss) after Tax** | | **(2,574,872)** | **(5,286,654)** |

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

**Managing Director** **Director**

Signed in terms of our report of even date annexed.

Alam Farhana & Co.
Chartered Accountants

Place: Dhaka
Date: 27 July 2026

Alam Farhana & Co. af Chartered Accountants



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## MKC AGROFRESH (BD) LIMITED

Statement of Changes in Equity

For the period from 01 April 2024 to 31 March 2025

| Particulars | Share capital | Retained Earnings | Total |
|---|---|---|---|
| Balance as at 01 April 2024 | 100,000 | (3,206,899) | (3,106,899) |
| Total Comprehensive Income/(Loss) | - | (2,574,872) | (2,574,872) |
| **Balance as at 31 March 2025** | **100,000** | **(5,781,771)** | **(5,681,771)** |

**For the period from 01 April 2023 to 31 March 2024**

| Particulars | Share capital | Retained Earnings | Total |
|---|---|---|---|
| Balance as at 01 April 2023 | 100,000 | 2,079,755 | 2,179,755 |
| Total Comprehensive Income/(Loss) | - | (5,286,654) | (5,286,654) |
| **Balance as at 31 March 2024** | **100,000** | **(3,206,899)** | **(3,106,899)** |

**Managing Director** **Director**

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## MKC AGROFRESH (BD) LIMITED

Statement of Cash Flows

For the period from 01 April 2024 to 31 March 2025

| | Amount in Taka | |
|---|---|---|
| | 31 Mar 2025 | 31 Mar 2024 |
| **Cash flows from Operating Activities** | | |
| Net Profit/Loss before Tax during the year | (2,574,872) | (5,286,654) |
| Depreciation | - | - |
| **Cash Generated from Operating Activities** | **(2,574,872)** | **(5,286,654)** |
| **Changes in working capital** | | |
| (Increase) / Decrease of Accounts Receivable | 10,000 | - |
| (Increase) / Decrease of Accounts Payable | 1,187,632 | 2,391,894 |
| | **1,197,632** | **2,391,894** |
| **Net Cash Provided by Operating Activities** | **(1,377,240)** | **(2,894,760)** |
| **Cash Flow from Investing Activities** | | |
| Acquisition of Property, Plant & Equipment | - | - |
| **Net Cash used in Investing Activities** | - | - |
| **Cash Flow from Financing Activities** | | |
| Proceeds from Issue of Share Capital | - | - |
| Increase / (Decrease) of Short Term Loans | 1,375,740 | 2,893,805 |
| **Net Cash used in Financing Activities** | **1,375,740** | **2,893,805** |
| **Net Cash Increase / (Decrease)** | **(1,500)** | **(955)** |
| Cash and Cash Equivalents at the beginning of the year | 19,190 | 20,145 |
| **Cash and Cash Equivalents at the end of the year** | **17,690** | **19,190** |

**Managing Director** **Director**

Ajam Farhana & Co. Chartered Accountants



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**1.00 The company & its nature of business**

**1.01 Company profile**

MKC Agro Fresh (BD) Limited, is a private limited company incorporated in Bangladesh on 19 December 2018 under the Companies Act, 1994 vide registration no. C-149027/2018. The registered office of the company is located at 18/3, Ahsanullah Road, Badamtoli, Dhaka.

**1.02 Nature of business**

The Company is primarily engaged in importing all kinds of fruits and sell it to the local market.

**2.00 Basis of preparation of financial statements**

**2.01 Basis of preparation**

These financial statements have been prepared and the disclosure of information are made in accordance with International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, and other relevant local Laws as applicable. The statement of financial position and the statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standard (IAS) 1:Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles.

**Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFSRs)**

| IASs or IFRSs No. | Name of IASs or IFRSs |
|---|---|
| IAS-1 | Presentation of Financial Statements |
| IAS-2 | Inventories |
| IAS-7 | Statement of Cash Flows |
| IAS-8 | Accounting Policies, Changes in Accounting Estimates and Errors |
| IAS-10 | Events after the Reporting Period |
| IAS-12 | Income Taxes |
| IAS-16 | Property, Plant and Equipment |
| IAS-19 | Employee Benefits |
| IAS-21 | The Effects of Changes in Foreign Exchange Rates |
| IAS-24 | Related Party Disclosures |
| IAS- 32 | Financial Instruments: Presentation |
| IAS- 36 | Impairment of Assets |
| IAS-37 | Provisions, Contingent Liabilities and Contingent Assets |
| IAS-38 | Intangibles Assets |
| IFRS-7 | Financial Instruments: Disclosures |
| IFRS-15 | Revenue from Contracts with Customer |

**2.02 Reporting period**

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements cover the period 01 April 2024 to 31 March 2025.



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**2.03 Basis of accounting**

The financial statements have been prepared under the accrual basis of accounting.

**2.04 Going concern**

The financial statements have been prepared on going concern basis. As per the management assessment, there is no material uncertainties related to events or conditions which may cast significant doubt upon the companies ability to continue as a going concern.

**2.05 Basis of measurement**

The financial statements have been prepared under the historical cost convention.

**2.06 Use of estimates and judgments**

The preparation of the financial statements in conformity with International Financial Reporting Standards *(IFRS)* requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

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

**2.07 Functional and presentation currency**

These financial statements are presented in Bangladesh currency (Taka), which is both functional currency and presentation currency of the company. All amount have been rounded off to the nearest Taka unless otherwise indicated.

**2.08 Components of financial statements**

The financial statements comprises of:

(i) Statement of financial position as at 31 March 2025;

(ii) Statement of profit or loss and other comprehensive income f the period from 01 April 2024 to 31 March 2025;

(iii) Statement of changes in equity f the period from 01 April 2024 to 31 March 2025;

(iv) Statement of cash flows f the period from 01 April 2024 to 31 March 2025; and

(v) A summary of significant accounting policies and other explanatory information As at 31 March 2025 and for the period from 01 April 2024 to 31 March 2025.

**3.00 Significant accounting policies**

**3.01 Property, plant and equipment**

**a) Recognition and measurement**

An item of property, plant and equipment that qualifies for recognition as an asset is initially recognized at its cost of acquisition and subsequently stated at cost less accumulated depreciation and impairment losses, if any, in accordance with IAS-16: Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

**b) Subsequent cost**

The cost of replacing or up-gradation of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss and other comprehensive income as incurred.



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**c) Depreciation**

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

Depreciation has been charged on all property, plant and equipment on straight line method. Full period's depreciation has been charged irrespective of the date of acquisition where no depreciation is/will be charged in the period of disposal of any assets.

**d) Disposal**

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

**3.02 IFRS 16: Lease**

The IFRS-16: Lease is effective from 01 January 2019. The company is opt to adopt the standard. There is recognition exemption where the lease is short term lease as underlying assets is low value. However, whenever the criteria is fulfiled, the company will adopt the implication and prepare the financial statement accordingly.

**3.03 Financial instruments**

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.

***Financial assets***

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

- ***Cash and cash equivalents***

  Cash and cash equivalents consist cash in hand, bank deposits, which were held and available for use of the company without any restriction.

- ***Advances, deposits and prepayments***

  ***Advances***

  Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment.

  ***Deposits***

  Deposits measured at cost value.

  ***Prepayments***

  Prepayments are initially measured at cost. After initial recognition, Prepayments are carried at cost less charges to Statement of profit or loss and other comprehensive income.

***Financial liability***

The company initially recognizes all financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

- ***Trade and other payables***

  Trade and other payables and other financial liabilities are recognized when contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.






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**3.04 Share capital**

Ordinary Shares are classified as equity incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net off any tax effects.

Paid up capital represents total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends decleared from

**3.05 Related Party Disclosures**

As per International Accounting Standards *(IAS) 24: "Related Party Disclosures"*, parties are considered to be related if one of the parties has the ability to control the other party or exercises significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis with its related parties which have been given in Note-16.

**3.06 Income tax**

Income tax expenses comprises current and deferred tax . Current tax and deferred tax is recognized in profit or loss except to the extent that its relates to items recognized directly in equity in which case it is recognized in equity.

**3.07 Provisions**

In accordance with the guidelines as prescribed by IAS 37: Provisions, contingent liabilities and contingent assets provisions are recognised when all the following criteria are met :

- When the company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

**3.08 Revenue recognition**

**Sales of goods**

The Company has applied IFRS 15 "Revenue from Contracts with Customers" for annual reporting periods beginning on or after 19 December 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those

'The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer, so the concept of control replaces the existing concept of risks and rewards. This standard combines, enhances and replaces specific guidance on recognizing revenue with a single standard. A new five-step process must be applied before revenue from contract with customer can be recognized:

i). Identify the contracts with customers;
ii). Identify the separate performance obligation;
iii). Determine the transaction price of the contract;
iv). Allocate the transaction price to each of the separate performance obligations; and
v). Recognize the revenue as each performance obligation is satisfied.

**3.09 Statement of cash flows**

Statement of cash flows is prepared in accordance with *IAS-7 : Cash Flow Statement under direct method.*

**3.1 Offsetting**

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends to either to settle on the net basis, or to realize the assets and to settle the liabilities simultaneously.






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**3.11 Materiality and aggregation**

Each material class of similar items present separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

**3.12 Transactions in foreign currencies**

Transactions denominated in foreign currencies are translated into International taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into International taka at the exchange rates ruling at the statement of financial position date. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into International taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the respective head of income/expenses.

**3.13 Financial risk management policies**

The management of the company has the overall responsibility for the establishment and oversight of the company's risk management framework. Financial risk management policies require establishing standard procedures to identify and analyze the main risks to which the company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact.

**3.14 Events after the reporting date**

In accordance with IAS 10: Events after the reporting period, amount recognized in the financial statements are adjusted for event after the reporting period that provide additional evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for event after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

**3.15 General**

Figures have been rounded off to the nearest Taka as the currency represented in these financial statements.

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| | | Amount in Taka | |
|---|---|---|---|
| | | 31 Mar 2025 | 31 Mar 2024 |
| 4 | **Accounts Receivable** | | |
| | Shauddin Bhai | (10,000) | |
| | Nazmul Enterprise | 14,567,697 | 14,567,697 |
| | **Total** | **14,557,697** | **14,567,697** |
| 5 | **Cash and Cash Equivalent** | | |
| | Cash in Hand | 17,625 | 17,625 |
| | **Cash at Bank:** | | |
| | SBI Bank (05120546020201) | 65 | 1,565 |
| | **Total** | **17,690** | **19,190** |
| 6 | **Share Capital** | | |
| | **Authorized Capital** | | |
| | (10,000 ordinary shares of TK. 100 each) | **1,000,000** | **1,000,000** |
| | **Issued, subscribed & paid up share capital** | | |
| | (1,000 ordinary shares of TK. 100 each) | **100,000** | **100,000** |

**Shareholder Position of the Company is as under:**

| Name of the Shareholders | No. of Shares | Face Value | 31 Mar 2025 | 31 Mar 2024 |
|---|---|---|---|---|
| MKC Agro Fresh Limited India | 950 | 100 | 95,000 | 95,000 |
| Haji Md. Kuddus | 50 | 100 | 5,000 | 5,000 |
| **Total:** | **1,000** | | **100,000** | **100,000** |

| | | | |
|---|---|---|---|
| 7 | **Short-Term Loans** | | |
| | **MKC Agro Fresh Ltd.** | | |
| | Opening Balance | 7,080,803 | 4,186,998 |
| | Add: Addition during the year | 1,375,740 | 2,893,805 |
| | **Total** | **8,456,543** | **7,080,803** |
| 8 | **Accounts Payable** | | |
| | **MKC Agro Fresh Ltd. - Noida** | | |
| | Opening Balance | 10,702,383 | 8,310,489 |
| | Add: Addition during the year | 1,187,632 | 2,391,894 |
| | **Total** | **11,890,015** | **10,702,383** |
| 10 | **Liabilities for Expenses** | | |
| | Audit Fee Payable | 34,500 | 34,500 |
| | **Total** | **34,500** | **34,500** |

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| | | Amount in Taka | |
|---|---|---|---|
| | | 31 Mar 2025 | 31 Mar 2024 |
| **11 Finance Expense** | | | |
| Foreign Fluctuation Loss | 11.1 | 1,973,381 | 3,674,896 |
| Interest on Unsecured Loan | | 589,991 | 1,610,803 |
| Bank Charge | | 11,500 | 955 |
| **Total** | | **2,574,872** | **5,286,654** |
| **11.1 Foreign Fluctuation Loss** | | | |
| MKC Agro Fresh Ltd. - Noida | | 1,187,632 | 2,391,894 |
| MKC Agro Fresh Ltd. | | 785,749 | 1,283,002 |
| **Total** | | **1,973,381** | **3,674,896** |

**12 Contingent Liabilities**

There is no contingent liabilities in during the period.

**13 Financial Risk Management**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risks
- Liquidity Risks
- Market Risk
- Currency Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

**Exposure to Credit Risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

| | | | |
|---|---|---|---|
| Cash and Cash Equivalent except Cash in Hand | **5.00** | 17,690 | 19,190 |
| **Total** | | **17,690** | **19,190** |

**• Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities . The Company's approach to managing liquidity (cash and bank balances) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses.

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Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the Company may get support from the shareholders in the form of shareholder's loan/capital contribution.

| | | | |
|---|---|---|---|
| Short Term Loan | **7.00** | 8,456,543 | 7,080,803 |
| Accounts Payable | **8.00** | 11,890,015 | 10,702,383 |
| **Total** | | **20,346,558** | **17,783,186** |

- **Market Risk**

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable level.

**Currency Risk**

**Transaction Risk**

Transaction risk arises from risk of adverse exchange rate movements occurring in the course of normal international transaction.

**Interest Rate Risk**

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

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