

MASTEK SYSTEMS BAHRAIN WLL

Financial Statements

For The Year Ended 31 March 2024

MASTEK SYSTEMS BAHRAIN WLL
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		BD	BD
	Note no.	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non Current assets			
Fixed Asset	3	648	-
		648	-
Current assets			
Trade and other receivables	4	2,64,485	1,07,868
Contract assets		2,43,679	1,15,665
Cash and cash equivalents	5	2,72,861	1,38,686
Total assets		7,81,673	3,62,219
EQUITY AND LIABILITIES			
Equity			
Share capital	9	50,000	50,000
Statutory reserve	10	25,000	25,000
Retained earnings		3,82,339	2,28,176
		4,57,339	3,03,176
Liabilities			
Non-current liabilities			
Employees' terminal benefits	7	10,575	8,957
		10,575	8,957
Current liabilities			
Trade and other payables	6	37,050	24,400
Amounts due to related parties	8	2,30,930	13,777
Contract liabilities		45,778	11,909
		3,13,759	50,086
Total liabilities		3,24,333	59,043
Total equity and liabilities		7,81,673	3,62,219

The financial statements were approved and signed by the Directors on 20th August 2024.

Manish Nahata
(Authorised signatory)

Arun Agarwal
(Authorised signatory)

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

MASTEK SYSTEMS BAHRAIN WLL
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

		BD	BD
	Note no.	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Operating income		5,35,061	4,64,725
Cost of operations	11	(3,66,923)	(4,35,137)
Gross Income		1,68,137	29,588
Other income		-	-
		1,68,137	29,588
Expenses			
Depreciation		130	-
General and administration expenses	12	14,066	66,932
Total expenses		14,196	66,932
Profit/Loss for the year		1,53,941	(37,344)
other comprehensive income			
Remeasurement gain		223	6,602
(Loss)/profit for the year		1,54,164	(30,742)

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MASTEK SYSTEMS BAHRAIN WLL
STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

	Share capital	Legal reserve	Retained earnings	In BD Total
At 1 April 2022	50,000	25,000	2,58,918	3,33,918
Comprehensive (Loss) for the year	-	-	(30,742)	(30,742)
Balance as at 31 March 2023	50,000	25,000	2,28,176	3,03,176
Comprehensive Profit for the year	-	-	1,54,164	1,54,164
Balance as at 31 March 2024	50,000	25,000	3,82,339	4,57,339

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MASTEK SYSTEMS BAHRAIN WLL
STATEMENT OF CASH FLOW AS AT 31 MARCH 2024

	BD	BD
	Year ended 31 March 2024	Year ended 31 March 2023
Operating activities		
Comprehensive profit/(Loss) for the year	1,54,164	(30,742)
Adjustments for:		
Depreciation	130	-
Bad debts	(13,415)	-
Provision for employees' terminal benefits	1,618	(5,217)
Operating (loss)/profit before working capital changes	1,42,497	(35,959)
Changes in operating assets and liabilities:		
Changes in trade and other receivables	(1,43,202)	17,055
Changes in contract assets	(1,28,014)	1,94,860
Changes in trade and other payables	12,650	(22,928)
Changes in amounts due to related parties	2,17,153	(1,33,857)
Changes in contract liabilities	33,869	(10,240)
Net cash (used in)/from operating activities	1,34,954	8,931
Cash flows from investing activities:		
Additions to property and equipment	(779)	-
Net cash flows from investing activities	(779)	-
Net change in cash & cash equivalents	1,34,175	8,931
Cash and cash equivalents, beginning of year	1,38,686	1,29,755
Cash and cash equivalents at the end of the year	2,72,861	1,38,686
Comprises:		
Cash in hand	1,209	193
Bnak balances	2,71,652	1,38,493
	2,72,861	1,38,686

The accompanying notes form an integral part of these financial statements

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MASTEK SYSTEMS BAHRAIN WLL
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2024
Amount in BD unless otherwise stated)

3 Fixed Asset
Computer

	Total	
Cost:		
At April 1, 2022	-	-
Additions during the year	-	-
At March 31, 2023	<u>-</u>	<u>-</u>
Additions during the year	778	778
At March 31, 2024	<u>778</u>	<u>778</u>
 Depreciation:		
At April 1, 2022	-	-
Charged during the year	-	-
At March 31, 2023	<u>-</u>	<u>-</u>
Charged during the year	130	130
At March 31, 2024	<u>130</u>	<u>130</u>
 Net book amount:		
At March 31, 2023	-	-
At March 31, 2024	648	648

MASTEK SYSTEMS BAHRAIN WLL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Amount in BD unless otherwise stated)

4 Trade and other receivables	BD	
	2024	2023
Financial assets		
Trade receivables	2,79,164	1,41,028
Provision for doubtful debts	(19,580)	(37,620)
	2,59,584	1,03,408
Tender guarantee deposit	4,460	4,460
Other receivables	441	-
	2,64,485	1,07,868

All amounts are short term. The net carrying value of accounts and other receivables is considered to be a reasonable approximation of fair value.

5 Cash and cash equivalents	BD	
	2024	2023
Cash in hand	1,209	193
Bank balances	2,71,652	1,38,493
	2,72,861	1,38,686

6 Trade and other payables	BD	
	2024	2023
Accrued expenses	7,249	8,960
Trade payable	9,400	7,682
Other payables	20,401	7,758
	37,050	24,400

The carrying value of accounts payable is considered to be a reasonable approximate of fair value at the financial position date.

7 Employees' terminal benefits

The movement in leaving indemnity liability applicable to expatriate employees is as follows:

	BD	
	2024	2023
As at opening	8,957	14,174.00
Provided for the year	1,618	-
Payment during the year	-	(5,217)
Amounts provided for the year and at 31 Dec	10,575	8,957

The number of expatriate staff employed by the Company at March 31, 2024 was 7 (March 31, 2023: 6).

8 Related party transactions

The Company's related parties include its Parent company, Directors, their close relatives and businesses under their control. The Company's transactions with related parties are in the ordinary course of business.

8.1 Related party balances:

Amount due to related parties

Name of related parties	Nature of relationship	BD	
		2024	2023
Evolutionary Systems Consultancy LLC	Other related party	23,263	63,260
Mastek Arabia FZ LLC	Parent	1,98,803	2,11,985

Amounts due to related parties are unsecured, bear no interest and have no fixed repayment terms.

MASTEK SYSTEMS BAHRAIN WLL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

(Amount in BD unless otherwise stated)

8.2 Related party transactions:

Name of related parties	Nature of relationship	Nature of transactions	BD	
			2024	2023
Evolutionary Systems Consultancy LLC	Other related party	Professional Services Taken	13,238	3,538
Mastek Arabia FZ LLC Consultancy LLC	Parent	Professional Services Taken	2,17,692	10,239
			-	-

9 Share capital

The share capital of the Company consists of 500 shares of BD 100 each, authorized, issued and fully paid up.

BD			
	Number of shares	%	Amount
Mastek Arabia FZ L.L.C.	500	100	50,000

10 Statutory reserve

Under the provisions of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriations is required to be transferred to a non-distributable reserve account up to a minimum of 50% of the issued share capital. The Company decided to discontinue such transfer since the reserve has already reached 50% of the paid-up capital.

11 Cost of operations

	BD	
	2024	2023
Staff cost	1,16,168	1,34,558
Professional services	2,47,937	2,94,797
Gratuity costs	2,819	3,595
Allowance	-	1,475
Commission	-	712
	3,66,923	4,35,137

MASTEK SYSTEMS BAHRAIN WLL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Amount in BD unless otherwise stated)

12 General and administration expenses	BD	
	2024	2023
Rent	2,929	10,925
Immigration and visa	2,636	4,412
Legal and professional charges	10,706	7,180
Bank charges	1,132	1,157
Bad debts	(13,415)	31,452
Travelling and conveyance	4,514	5,562
Electricity	580	465
Miscellaneous expenses	4,985	5,779
	14,066	66,932

13 Financial assets and liabilities and risk management

The Company's principal financial instruments comprise of cash and cash equivalents, trade and other receivables and trade and other payables. The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The main risks arising from the Company's financial instruments are interest rate cash flow risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors approve policies for managing each of these risks, which are summarized below.

a. Interest rate risk

The Company's policy is to minimize interest rate risk exposures on financial instruments. The Company is not exposed to the risk for changes in market interest rates since the Company has no interest-bearing financial assets and financial liabilities.

b. Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank balances.

The following table shows the maturity profile of financial liabilities as at 31 March 2024:

Particulars	BD	
	Due within 1 year	
Trade and other payables	<u>37,050</u>	

The following table shows the maturity profile of financial liabilities as at 31 March 2023:

Particulars	BD	
	Due within 1 year	
Trade and other payables	<u>24,400</u>	

c. Foreign currency risk

The Company's primary exposure to the risk in changes in foreign currency relates to the transactional currency exposures. Such exposure arises when the transaction is denominated in currencies other than the functional currency of the operating unit or the counterparty. The currency risk on foreign currencies is actively monitored by the Management. The Company's transactions are predominantly in Bahrain Dinars.

d. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including bank balances and trade and other receivables.

The table below shows the gross maximum exposure to the Company's credit risk, without considering the effects of collateral and credit enhancements:

	BD	
	2024	2023
Trade and other receivables	2,64,485	1,07,868
Bank balances	2,71,652	1,38,493
Total	5,36,137	2,46,361

Credit risk management

The credit risk is managed on a group basis based on the Company's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed by dealing with major reputable financial institutions.

The Company policy is to deal only with recognized, creditworthy counterparties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. A regular annual review and evaluation of these accounts are carried out to assess the credit standing of the customers.

MASTEK SYSTEMS BAHRAIN WLL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

Amount in BD unless otherwise stated)

Trade receivables

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers

The expected loss rates are based on the payment profile for sales over the past 12 months before 31 March 2024 and 31 March 2023 respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. During the year, no provision has been made for expected credit losses as the impact of the provision is not deemed to be material by the management. Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery. The management has not made any allowance for expected credit losses since the amounts are not material to the financial statements.

Security

Trade receivables consist of a large number of customers in various industries. The Company does not hold any security on the trade receivable balances except for new customers where post-dated cheques are obtained.

14 Capital management policies and procedures

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize equity value.

Equity comprises share capital, statutory reserve and retained earnings and is measured at BD 457,339 as at 31 March 2024 (2023:BD 303,176)

15 Post- reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

16 Comparative figures

Comparative figures for the previous year have been reclassified/re-arranged wherever necessary to conform with the presentation in the current