Grant Thornton
Abdulaal

Financial statements and independent auditors' report

Karvy Fintech (Bahrain) W.L.L.

(formerly known as Karvy Computershare W.L.L.)

For the year ended 31 March 2019

Contents

General information

Commercial registration	:	39984-1 obtained on 27 January 1998
Partners	:	Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited) Avneesh Mishra
Registered office	:	Flat 74, Building 31 Road 383, Block 305 Manama Kingdom of Bahrain
Banker	:	Ahli United Bank
Auditors	:	Grant Thornton - Abdulaal P.O. Box 11175 12th Floor, Al Nakheel Tower Seef District, Kingdom of Bahrain

Directors' report

The Board of Directors of Karvy Fintech (Bahrain) W.L.L. (formerly known as Karvy Computershare W.L.L.) (the "Company") has great pleasure in presenting the annual report and the audited financial statements of the Company for the year ended 31 March 2019.

Principal activities

The Company is engaged in the business of other activities auxiliary to financial service activities - fund administrator and adhere to the CBB approved activities.

Financial highlights

The total income of the Company for the year ended 31 March 2019 was BD295,754 as compared to previous year's income of BD302,262. The Company has reported a profit of BD42,647 for the year ended 31 March 2019 as compared to profit of BD47,205 in the year 2018.

Directors

The following served as the Directors of the Company during the year ended 31 March 2019:

Comandur Parthasarathy	-	Chairman (resigned on 20 March 2019)
Yugandhar Meka	-	Director (resigned on 20 March 2019)
GaneshVenkatachalam	-	Director
Chandramouli Balaraman	-	Director (resigned on 29 October 2018)
Alok Chandra Misra	-	Director (approval received from CBB)
Sharad Bhojnagarwala	-	Director (approval received from CBB)

Auditors

The financial statements have been audited by Grant Thornton - Abdulaal who have expressed their willingness and considered themselves eligible for re-appointment.

The Director takes this opportunity to place on record his sincere appreciation to the staff for their loyalty and dedication, which has greatly helped to maintain the reputation and results of the Company.

On behalf of the Board of Directors

Ganesh Venkatachalam
Director

10 May 2019
Manama, Kingdom of Bahrain

Grant Thornton
Abdulaal

Independent auditors' report

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To the Partners of
Karvy Fintech (Bahrain) W.L.L.
(formerly known as Karvy Computershare W.L.L.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Karvy Fintech (Bahrain) W.L.L. (formerly known as Karvy Computershare W.L.L.)** (the "**Company**"), which comprise the statement of financial position as at 31 March 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019, and its financial performance 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the 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 opinion.

Other information

The Board of Directors is responsible for the other information. The other information obtained at the date of this auditors' report is the Directors' report set out on page 2.

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

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditors' 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 auditors' 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 scepticism 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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 auditors' 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 auditors' 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 the Board of Directors 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

Further, as required by the Bahrain Commercial Companies Law, we report that:

i) we have obtained all the information that we considered necessary for the purpose of our audit,
ii) the financial information included in the report of the Board of Directors is consistent with the financial statements, and
iii) the Company has maintained proper books of accounts.

In addition, we report that, nothing has come to our attention which causes us to believe that the Company has breached any of the applicable provisions of the Bahrain Commercial Companies Law or the CBB's regulations (as contained in volume 5 of the CBB Rulebook) or its Memorandum and Articles of Association which would materially affect its activities or its financial position.

Grant Thornton

Partner's Registration No. 198
10 May 2019
Manama, Kingdom of Bahrain

Statement of financial position

	Notes	31 March 2019	31 March 2018
		BD	BD
Assets			
Non-current assets			
Property, plant and equipment	3	**2,445**	**2,648**
Current assets			
Trade and other receivables	4	83,458	79,074
Cash and cash equivalents	5	381,138	332,671
		464,596	**411,745**
Total assets		**467,041**	**414,393**
Equity and liabilities			
Equity			
Share capital	8	40,000	40,000
Statutory reserve	9	20,000	20,000
Retained earnings		327,687	285,040
		387,687	**345,040**
Liabilities			
Non-current liabilities			
Employees' terminal benefits	7	**40,407**	**33,357**
Current liabilities			
Accruals and other payables	6	**38,947**	**35,996**
Total liabilities		**79,354**	**69,353**
Total equity and liabilities		**467,041**	**414,393**

These financial statements were approved and signed by the Board of Directors on 10 May 2019 and signed on its behalf by:

Ganesh Venkatachalam
Director

The accounting policies and the notes from pages 9 to 20 form an integral part of these financial statements.

Statement of comprehensive income

	Notes	Year ended 31 March 2019 BD	Year ended 31 March 2018 BD
Service income		284,567	299,027
Cost of services	10	(222,663)	(225,081)
Gross profit		**61,904**	**73,946**
Other income	11	11,187	3,235
		73,091	**77,181**
Expenses			
General and administrative expenses	12	(29,278)	(28,011)
Depreciation	3	(1,166)	(1,965)
		(30,444)	**(29,976)**
Profit for the year transferred to retained earnings		**42,647**	**47,205**

These financial statements were approved and signed by the Board of Directors on 10 May 2019 and signed on its behalf by:

Ganesh Venkatachalam
Director

The accounting policies and the notes from pages 9 to 20 form an integral part of these financial statements.

Statement of changes in equity

	Share capital	Statutory reserve	Retained earnings	Total
	BD	BD	BD	BD
At 1 April 2017	40,000	20,000	237,835	297,835
Profit for the year	-	-	47,205	47,205
At 31 March 2018	**40,000**	**20,000**	**285,040**	**345,040**
At 1 April 2018	40,000	20,000	285,040	345,040
Profit for the year	-	-	42,647	42,647
At 31 March 2019	**40,000**	**20,000**	**327,687**	**387,687**

The accounting policies and the notes from pages 9 to 20 form an integral part of these financial statements.

Statement of cash flows

	Year ended 31 March 2019	Year ended 31 March 2018
	BD	BD
Operating activities		
Profit for the year	42,647	47,205
Adjustments for:		
Depreciation	1,166	1,965
Transfer of property, plant and equipment	-	85
Loss on disposal of property, plant and equipment	366	-
Provision for employees' terminal benefits	7,050	7,115
Operating profit before working capital changes	51,229	56,370
Changes in operating assets and liabilities:		
Change in trade and other receivables	(4,384)	22,779
Change in amount due from related party	-	4,508
Change in accruals and other payables	2,951	2,158
Net cash generated from operating activities	**49,796**	**85,815**
Investing activities		
Purchase of property, plant and equipment	(1,329)	(2,645)
Net cash used in investing activities	**(1,329)**	**(2,645)**
Net change in cash and cash equivalents	48,467	83,170
Cash and cash equivalents, beginning of the year	332,671	249,501
Cash and cash equivalents, end of the year	**381,138**	**332,671**
Comprises:		
Cash in hand	172	439
Bank balances	380,966	332,232
	381,138	**332,671**

The accounting policies and the notes from pages 9 to 20 form an integral part of these financial statements.

Notes to the financial statements
31 March 2019

1. Organisation and activities

Karvy Fintech (Bahrain) W.L.L. (formerly known as Karvy Computershare W.L.L.) (the "Company") is a limited liability company registered in the Kingdom of Bahrain with the Ministry of Industry and Commerce under commercial registration number 39984-1 obtained on 27 January 1998.

The Company is engaged in the business of other activities auxiliary to financial service activities - fund administrator and adhere to the CBB approved activities.

The Company's registered office is in the Kingdom of Bahrain.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Company's financial statements have been prepared on an accrual basis and under the historical cost convention. The Company's financial statements are presented in Bahrain Dinars. All values are rounded to the nearest Bahrain Dinar.

2.2 Statement of compliance and going concern assumption

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law and Volume 5- Specialised Licensees of the CBB Rulebook. They have been prepared under the assumption that the Company operates on a going concern basis.

2.3 New or revised Standards or Interpretations

New Standards adopted as at 1 January 2018

- IFRS 15 'Revenue from Contracts with Customers'

  IFRS 15 'Revenue from Contracts with Customers' and the related 'Clarifications to IFRS 15 Revenue from Contracts with Customers' (hereinafter referred to as 'IFRS 15') replace IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively, however the implementation of this new guidance did not have a significant impact on the timing or amount of revenue recognised by the Company in any year.

- IFRS 9 'Financial Instruments'

  IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement'. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets. This affects the Company's trade and other receivables, whereby the Company applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component. In addition, the Company's trade and other receivables and cash equivalents are now classified as amortised costs. The adoption of IFRS 9 has no significant impact on the impairment of financial assets applying the expected credit loss model. There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9.

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

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

- IFRS 16 'Leases'

  IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

  IFRS 16 is effective from periods beginning on or after 1 January 2019. Early adoption is permitted; however, the Company has decided not to early adopt.

Management is currently assessing the impact of the above standards.

2.4 Property, plant and equipment

Items of property, plant and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

The cost of the property, plant and equipment includes the cost of bringing them to their present location and condition. The cost of replacing part of an item of property, plant and equipment is recognised in carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other cost is recognised in the statement of comprehensive income as expenditure incurred.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment. The following useful lives are applied:

Leasehold improvements	10 years or remaining term, whichever is less
Furniture and fixtures	5 years
Office equipments	3 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income within 'other income' or 'other expenses'.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.5 Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its estimated recoverable amount. Recoverable amount is higher of fair value less cost to sell and value in use. All impairment losses are recognised in the statement of comprehensive income. Impairment losses are reversed only if there is an indication that the impairment loss may no longer exist and there has been change in the estimates used to determine the recoverable amount.

2.6 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

2.7 Provisions

Provisions are recognised by considering an obligation of the Company as on date resulting from past events, and where it is probable that such obligation will result in outflow of economic resources and amount can be reliably estimated.

2.8 Employees' terminal benefits

Employees' terminal benefits and entitlements 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 Organisation 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 Laws for private sector 2012, based on length of service and final salary. Provision for this, which is unfunded and which represent 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.

2.9 Revenue recognition

Revenue arises mainly from the services.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from services

Service income is recognized upon the rendering of services. Service income represents the invoice value, net of discount for services provided.

2.10 Other income

Other income is recognised on an accrual basis or when the Company's right to receive payment is established.

2.11 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

2.12 Government grants

Government grants are recognized when there is reasonable assurance that the entity complied with the conditions attaching to them and the grants are received. Government grants related to assets are presented in the statement of financial position by setting up the grant as deferred income. The grant is recorded as deferred income which is recognized as income on a systematic and rational basis over the useful life of the asset.

Grants related to income are presented as part of profit and loss under other income.

2.13 Financial Instruments

Recognition and derecognition

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

a. Financial assets

Classification and initial measurement of financial assets

All financial assets are initially measured at fair value adjusted for transaction costs (where applicable), except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15.

Financial assets, other than those designated and effective as hedging instruments (if any), are classified into the following categories:

• amortised cost,
• fair value through profit or loss (FVTPL), and
• fair value through other comprehensive income (FVOCI).

The classification is determined by both:

• the entity's business model for managing the financial asset, and
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented separately in the statement of comprehensive income.

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, and trade and other receivables fall into this category of financial instruments.

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

Previous financial asset impairment under IAS 39

In the prior year, the impairment of trade receivables was based on the incurred loss model. Individually significant receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty will default. Receivables that were not considered to be individually impaired were reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate was then based on recent historical counterparty default rates for each identified group.

Trade receivables

The Company makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

b. Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

The Company's financial liabilities include trade and other payables only. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss, if any. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.14 Significant management judgement in applying accounting policies and estimation uncertainty

The Company's financial statements prepared under IFRS require the Company to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Future events may occur which may cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the Company's financial statements as they become reasonably determinable.

a. Judgments

Judgment and estimates 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.

b. Use of estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial position date, 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.

Useful lives of depreciable assets. Management reviews the useful lives of depreciable assets at each reporting date. At 31 March 2019, management assesses that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence.

3. Property, plant and equipment

	Leasehold improvements	Furniture and fixtures	Office equipment	2019 Total	2018 Total
	BD	BD	BD	BD	BD
Cost					
At 1 April	16,944	2,210	49,243	68,397	65,840
Additions	-	-	1,329	1,329	2,645
Disposals	-	-	(2,070)	(2,070)	-
Transfers	-	-	-	-	(88)
At 31 March	**16,944**	**2,210**	**48,502**	**67,656**	**68,397**
Accumulated depreciation					
At 1 April	16,250	2,210	47,289	65,749	63,787
Charge for the year	126	-	1,040	1,166	1,965
Disposals	-	-	(1,704)	(1,704)	-
Transfers	-	-	-	-	(3)
At 31 March	**16,376**	**2,210**	**46,625**	**65,211**	**65,749**
Net book value					
At 31 March 2019	**568**	**-**	**1,877**	**2,445**	**-**
At 31 March 2018	**694**	**-**	**1,954**	**-**	**2,648**

4. Trade and other receivables

	2019	2018
	BD	BD
Trade receivables	78,598	73,675
Prepayments	4,746	4,708
Deposits and advances	114	691
	83,458	**79,074**

All amounts are short term. The net carrying value of trade and other receivables is considered to be a reasonable approximate of fair value at the financial position date.

5. Cash and cash equivalents

	2019 BD	2018 BD
Cash in hand	172	439
Bank balances	380,966	332,232
	381,138	**332,671**

There are no restrictions on bank balances at the time of approval of the financial statements.

My Smart Call account with Ahli United Bank earns interest at the rate of 2% per annum (Note 11).

6. Accruals and other payables

	2019 BD	2018 BD
Accruals and other payables	18,924	18,476
Unearned revenue	2,750	3,583
Deferred revenue	358	670
Advance from customers	-	356
Leave salary and air passage	16,915	12,911
	38,947	**35,996**

Deferred revenue represents government grant received under "Tamkeen scheme" for the purchase of office equipment and will be deferred and recognised in the statement of comprehensive income over the period of life of the asset purchased.

The carrying values of accruals and other payables are 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:

	2019 BD	2018 BD
At 1 April	33,357	26.,242
Amounts provided for the year	7,050	7,115
At 31 March	**40,407**	**33,357**

The number of expatriate staff employed by the Company at 31 March 2019 was 4 (2018: 4).

8. Share capital

The share capital of the Company consists of 800 shares of BD50 each, issued and fully paid up.

	Number of shares	%	Amount BD
Karvy Fintech Private Limited (formerly Karvy Computershare Private Limited)	799	99.88	39,950
Avneesh Mishra	1	0.12	50
	800	**100**	**40,000**

The share capital in the amount of BD20,000 is in the form of shares issued in kind.

9. Statutory reserve

Under the provision of the Bahrain Commercial Companies Law, an amount equivalent to 10% of the Company's profit for the year before appropriation 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 share capital (2018: Nil).

10. Cost of services

	2019 BD	2018 BD
Staff costs	212,602	211,177
Direct expenses	10,061	13,904
	222,663	**225,081**

11. Other income

	2019 BD	2018 BD
Interest received	6,156	2,951
Tamkeen subsidy	4,710	-
Reimbursement from Tamkeen	312	265
Miscellaneous income	9	19
	11,187	**3,235**

12. General and administrative expenses

	2019 BD	2018 BD
Rent	12,000	13,200
Professional fees	7,685	5,311
Repairs and maintenance expenses	4,868	3,734
Electricity expenses	2,026	2,094
Insurance expenses	1,386	1,875
Loss on disposal of property, plant and equipment	366	-
Advertisement expenses	144	536
Miscellaneous expenses	803	1,261
	29,278	**28,011**

13. Related party transactions

The Company's related party transactions consist of the Partners, Directors their close relatives and businesses under their control. The Company's transactions with related parties, if any, are in the ordinary course of business.

Total salary paid to key management personnel in 2019 was BD114,660 (2018: BD114,024).

14. Financial assets and liabilities and risk management

The Company's principal financial instruments comprise of cash and cash equivalents, trade and other receivables, amount due from related party and accruals 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 approves policies for managing each of these risks, which are summarised below.

a. Interest rate risk

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. The Company is not exposed to the risk of changes in market interest rates since the Company's My Smart Call account earns fixed rate of interest.

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 cash and cash equivalents.

The following table shows the maturity profile of financial liabilities as at 31 March 2019:

Particular	Due within 1 year
	BD
Accruals and other payables	**18,924**

The following table shows the maturity profile of financial liabilities as at 31 March 2018:

Particular	Due within 1 year
	BD
Accruals and other payables	**18,476**

c. Foreign currency risk

The Company's primary exposure to the risk of 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 trades only with recognized, creditworthy third parties. 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.

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 of customers.

The expected loss rates are based on the payment profile for sales over the past 24 months before 31 December 2018 and 1 January 2018 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. The Company has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

The Company has no history of customer credit default therefore no provision for expected credit loss has been recognized.

15. Capital management policy

The Company's capital management objectives are:

• to ensure the Company's ability to continue as a going concern, and
• to provide an adequate return to the Partners by pricing services in a way that reflects the level of risk involved in providing those services.

The Company monitors capital using capital to overall financing ratio, which is capital divided by overall financing.

The amounts managed as capital by the Company for the reporting periods are summarised as follows:

	2019 BD	**2018** BD
Total equity	387,687	345,040
Less: Cash and cash equivalents	(381,138)	(332,671)
Capital	**6,549**	**12,369**
Total equity	387,687	345,040
Overall financing	**387,687**	**345,040**
Capital to overall financing ratio	**0.02**	**0.04**

16. Post-reporting date events

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

17. Comparative figures

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