VLCC INTERNATIONAL QATAR CO. W.L.L
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

Contents ***Page No.***

Grant Thornton

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INDEPENDENT COMPONENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL INFORMATION PREPARED FOR CONSOLIDATION PURPOSES

To Grant Thornton Audit and Accounting Limited (BVI)
(Dubai Branch)

As requested in your Group Audit Instructions dated April 24, 2021, we have audited, for purposes of your audit of the consolidated financial statements of VLCC International Inc, the accompanying special purpose financial information of VLCC International Co. W.L.L as at March 31, 2021 and for the year then ended of the financial reporting package of VLCC International Inc. This special purpose financial statements has been prepared solely to enable VLCC International Inc to prepare its consolidated financial statements.

Management's responsibility for the special purpose financial information

Management is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose 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.

Those Charged with Governance are responsible for overseeing the Company's financial reporting process.

Component auditor's responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing to the extent directed by your instructions. Those standards and instructions require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial information is free from material misstatement. As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial information of the component alone.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial information 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.

Opinion

We have audited the special purpose financial statements of VLCC International Co W.L.L (the "Company") which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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 special purpose financial information for VLCC International Co. W.L.L as at March 31, 2021 and for the year then ended has been prepared, in all material respects, in accordance in accordance with approved accounting and reporting standards (IFRSs).

Restriction on use and distribution

This special purpose financial information has been prepared for purposes of providing information to VLCC International Inc to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of VLCC International Co. W.L.L in accordance with approved accounting and reporting standards (IFRSs) and is not intended to give a true and fair view of in all material respects, the financial position of VLCC International Co. W.L.L as at March 31, 2021, and of its financial performance, and its cash flows for the year then ended in accordance with approved accounting and reporting standards (IFRSs). The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for Grant Thornton Audit and Accounting Limited (BVI) (Dubai Branch) and should not be used by or distributed to other parties.

Dr Sultan Hassan Al Dosari

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12 JUN 2021

VLCC INTERNATIONAL QATAR CO. W.L.L
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Notes	March 31, 2021	March 31, 2020
		------------- QR -------------	
Assets			
Non current assets			
Property and equipment	4	18,044,319	18,480,881
Right of use assets	5	4,736,727	1,215,293
Total non current assets		22,781,046	19,696,174
Current assets			
Inventories		686,464	712,052
Trade and other receivables	6	456,902	449,232
Due from related party	7	1,690,130	-
Cash and cash equivalents	8	618,765	79,083
Total current assets		3,452,261	1,240,367
Total assets		26,233,307	20,936,541
Equity and liabilities			
Equity			
Share capital	9	200,000	200,000
Statutory reserve		100,000	100,000
Shareholder's account		13,564,152	13,564,152
Retained earnings		1,894,898	863,276
Other components of equity		(1,211,497)	(1,077,427)
Total equity		14,547,553	13,650,001
Liabilities			
Non current liabilities			
Non current portion of employee end of service gratuity	10	853,284	781,439
Lease liability - non-current portion	11	2,922,721	159,537
Total non current liabilities		3,776,005	940,976
Current liabilities			
Current portion of employee end of service gratuity	10	28,511	35,317
Lease liability - current portion	11	1,939,501	1,077,307
Trade and other payable	12	3,267,090	3,002,813
Staff expenses payable	13	1,476,005	1,202,995
Due to related parties	14	1,198,642	1,027,133
Total current liabilities		7,909,749	6,345,564
Total liabilities		11,685,754	7,286,540
Total equity and liabilities		26,233,307	20,936,541
Contingencies and commitments	20		

Sandeep Ahuja
Manager

The annexed notes from 1 to 23 form an integral part of these financial statements.

VLCC INTERNATIONAL QATAR CO. W.L.L

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2021

	Notes	March 31, 2021	March 31, 2020
		------------- QR	-------------
Revenue	15	**30,492,975**	38,715,977
Cost of revenue		**(11,470,211)**	(15,475,207)
Gross profit		**19,022,764**	23,240,770
Other income		**473,500**	-
Depreciation	4	**(1,761,374)**	(1,743,818)
Depreciation on right of use asset	5	**(1,977,607)**	(2,001,336)
General and administrative expenses	16	**(14,174,065)**	(16,887,360)
Profit from operating activities		**1,583,218**	2,608,256
Finance cost	17	**(443,304)**	(489,239)
Profit before taxation		**1,139,914**	2,119,017
Taxation	18	**(108,292)**	(201,307)
Profit for the year		**1,031,622**	1,917,710
Other comprehensive income for the year			
Actuarial loss on defined benefit obligation	10	**(134,070)**	(85,700)
Total comprehensive income for the year		**897,552**	1,832,010

The annexed notes from 1 to 23 form an integral part of these financial statements.

VLCC INTERNATIONAL QATAR CO. W.L.L

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

	Share capital	Statutory reserve	Shareholder's account	Retained earnings	Other components of equity	Total
	---QR					---
Balance as at April 01, 2019	200,000	100,000	15,256,300	(1,054,434)	(991,727)	13,510,139
Profit for the year	-	-	-	1,917,710	-	1,917,710
Other comprehensive loss for the year	-	-	-	-	(85,700)	(85,700)
Net movement in shareholders' account	-	-	(1,692,148)	-	-	(1,692,148)
Balance as at March 31, 2020	**200,000**	**100,000**	**13,564,152**	**863,276**	**(1,077,427)**	**13,650,001**
Profit for the year	**-**	**-**	**-**	**1,031,622**	**-**	**1,031,622**
Other comprehensive loss for the year	**-**	**-**	**-**	**-**	**(134,070)**	**(134,070)**
Balance as at March 31, 2021	**200,000**	**100,000**	**13,564,152**	**1,894,898**	**(1,211,497)**	**14,547,553**

The annexed notes from 1 to 23 form an integral part of these financial statements.

VLCC INTERNATIONAL QATAR CO. W.L.L

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
		------------- QR	-------------
Cash flow from operating activities			
Profit before taxation for the year		**1,139,914**	2,119,017
Adjustments for non-cash charges and other items:			
Finance cost	**17**	**443,304**	489,239
Depreciation on property and equipment	**4**	**2,575,873**	2,374,394
Depreciation on right of use assets	**5**	**1,977,607**	2,001,336
Provision for employees' end of service gratuity	**10**	**239,103**	186,529
Other income		**(473,500)**	-
		5,902,301	7,170,515
(Increase)/decrease in current assets:			
Inventories		**25,588**	(170,036)
Trade and other receivables		**(7,670)**	393,143
Due from related party		**(1,690,130)**	-
Increase/(decrease) in current liabilities:			
Trade and other payables		**331,820**	71,298
Staff expenses payable		**273,010**	(512,478)
Due to related parties		**171,510**	197,284
Cash generated from operations		**5,006,428**	7,149,726
Finance cost paid	**17**	**(239,967)**	(333,024)
Income tax paid	**18**	**(175,834)**	(180,516)
Gratuity paid	**10**	**(308,134)**	(333,703)
Net cash generated from operating activities		**4,282,493**	6,302,483
Cash flow from investing activities			
Purchase of property and equipment	**4**	**(2,139,311)**	(2,726,711)
Net cash used in investing activities		**(2,139,311)**	(2,726,711)
Cash flow from financing activities			
Movement in shareholder's current account		**-**	(1,692,148)
Lease payments (on right of use assets)	**11**	**(1,603,500)**	(2,136,000)
Net cash used in financing activities		**(1,603,500)**	(3,828,148)
Net decrease in cash and cash equivalents		**539,682**	(252,376)
Cash and cash equivalents at the beginning of the year		**79,083**	331,459
Cash and cash equivalents at the end of the year		**618,765**	79,083

The annexed notes from 1 to 23 form an integral part of these financial statements.

1 INCORPORATION AND ACTIVITIES

VLCC International Qatar Co. (W.L.L) incorporated in Doha in the State of Qatar on May 2, 2010 as a Limited Liability Company under commercial registration number 45699. The main activities of the company are slimming, skin care, and hair care services.

Shareholders	Nationality	Percentage of shareholder	
		2021	2020
International Project Development Company W.L.L.	Qatar	51%	51%
VLCC International Inc. (BVI)	UK Virgin Island	49%	49%

2 BASIS OF PREPARATION

2.1 Accounting convention and basis of preparation

These financial statements have been prepared under the historical cost convention except as other wise stated in the respective policies and notes given hereunder. The Company's functional and reporting currency is Qatari Riyals (QR). These Financial Statements are prepared on the basis that the Company is a going concern, (i.e. as continuing operation for the foreseeable future) and it has no intention or necessity to liquidate. The accompanied special purpose financial statements has been prepared for the solely to enable VLCC International Inc to prepare its consolidated financial statements.

2.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2.3 New Accounting Standards, Amendments And IFRIC Interpretations

2.3.1 Adoption of new and revised Standards

During the current period, the Company adopted the below amendments and improvements to the International Financial Reporting Standards that are effective for annual periods beginning on January 01, 2020:

Topic	Effective date
Amendments to References to the Conceptual Framework in IFRS Standards - amendments to IFRS 2, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22 and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 01, 2020
Amendments to IFRS 3 Business Combinations relating to definition of a business	January 01, 2020
Amendments to IAS 1 and IAS 8 relating to definition of material	January 01, 2020
Interest Rate Benchmark Reform - Phase 1 (Amendments to IFRS 9, IAS 39 and IFRS 7)	January 01, 2020
IFRS - 16 covid related rent concession	June 01, 2020

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

2.4.2 Standards issued but not yet effective

A number of standards and amendments to standards are issued but not yet effective and the Company has not adopted these in the preparation of these financial statements. The below standards may have a significant impact on the Company's financial statements, however, the Company is currently evaluating the impact of these standards. The Company will adopt the below new standards on the respective effective dates.

Topic	Effective date
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	January 01, 2022
Amendments to IAS 16 Property, plant and equipment—proceeds before intended u:	January 01, 2022
Amendments to IFRS 3 – Reference to the Conceptual Framework	January 01, 2022

2.4.2 Standards issued but not yet effective

The following revised standards, amendments and interpretations to the approved accounting standards, would be effective from the dates mentioned below against the respective standards:

Topic	Effective date
Amendments to IFRS 3 – Reference to the Conceptual Framework	January 01, 2023
IFRS 17 Insurance Contracts	January 01, 2023
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures (2011) relating to the treatment of the sale or construction of the assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provision for end of service benefits and employee obligations. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

(a)	useful life of property and equipment	3.2
(b)	impairment of financial assets	3.4
(c)	expected credit loss model	3.6.3
(d)	employees' end of service benefit	3.10
(e)	provisions, contingent liabilities and contingent assets	3.11
(f)	taxation	3.16

3.2 Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises acquisition and other directly attributable costs. Cost includes expenditure that is directly attributable to the acquisition of the asset and reliably measurable subsequent costs only when it is probable that future economic benefits associated with the item will flow to the Company.

These assets are depreciated on straight line method at rates mentioned below so as to write off the cost of assets over their estimated useful lives. The Company charges depreciation on all additions from the date of purchase and ceases the charge of depreciation when the asset is disposed off.

3.2 Property and equipment (Continued)

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Gain or loss, if any, on disposal of assets is credited or charged to statement of profit or loss in the year of disposal.

The Company reviews the useful life and residual value of property and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding effect on depreciation charge and impairment. The rates of depreciation used are given below;

Category of assets	Useful life	Rate
Motor vehicles	4 Years	25%
Leasehold improvements	9 - 10 Years	11%
Machinery and equipment	10 Years	10%
Furniture and fixtures	7 Years	14%
Computer and accessories	4 Years	25%
Office equipment	10 Years	10%

3.3 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term or the estimated useful lives of the assets.

3.4 Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the assets recoverable amount is estimated in order to determine the extent of impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.5 Inventories

Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving and defective items. Costs are those expenses incurred in bringing each product to its present location and condition and these are valued at first in first out method of valuation.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

The Company reviews the carrying amount of stock in trade on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

3.6 Financial instruments

3.6.1 Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Financial assets and financial liabilities are measured subsequently as described below.

3.6.2 Financial assets: subsequent measurement

Financial asset classification and measurement is an area where many changes have been introduced by IFRS 9. Consistent with IAS 39, the classification of a financial asset is determined at initial recognition, however, if certain conditions are met, an asset may subsequently need to be reclassified.

Subsequent to initial recognition, all assets within the scope of IFRS 9 are measured at:

- amortised cost;
- fair value through other comprehensive income (FVTOCI); or
- fair value through profit or loss (FVTPL).

The FVTOCI classification is mandatory for certain debt instrument assets unless the option to FVTPL ('the fair value option') is taken. Whilst for equity investments, the FVTOCI classification is an election. The requirements for reclassifying gains or losses recognised in other comprehensive income (OCI) are different for debt and equity investments. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognised directly in profit or loss. The difference between cumulative fair value gains or losses and the cumulative amounts recognised in profit or loss is recognised in OCI until derecognition, when the amounts in OCI are reclassified to profit or loss. This contrasts with the accounting treatment for investments in equity instruments designated at FVTOCI under which only dividend income is recognised in profit or loss with all other gains and losses recognised in OCI and there is no reclassification on derecognition.

3.6.3 Expected credit loss model

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, contract assets under IFRS 15 Revenue from Contracts with Customers and lease receivables under IFRS 16 Leases.

Entities are generally required to recognise 12-month ECL on initial recognition (or when the commitment or guarantee was entered into) and thereafter as long as there is no significant deterioration in credit risk. However, if there has been a significant increase in credit risk on an individual or collective basis, then entities are required to recognise lifetime ECL. For trade receivables, a simplified approach is applied whereby the lifetime ECL are always recognised.

The management has made an expected credit loss assessment as per the requirements of IFRS 9 and the assessment had no significant impact on the company's financial statements.

3.6.4 Impairment and collectability of financial assets

Company assesses on a forward looking basis the Expected Credit Losses (ECL) associated with its financial assets. The allowance for impairment charged depends on whether there has been a significant increase in credit risk.

3.6 Financial instruments (Continued)

3.6.5 Classification and subsequent measurement of financial liabilities

Financial liabilities comprise, trade and most other payables and amounts due to related parties.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges are included within 'finance costs'.

3.6.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank accounts that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

3.8 Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior years' profits and losses.

All transactions with the owners of the Company are recorded separately within equity.

3.9 Statutory reserve

In accordance with Qatar Commercial Companies Law No. 11 of 2015, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the capital. This reserve is not available for distribution except in circumstances as specified in the Law.

3.10 Employees end of service benefit

Provision for employees' end of service benefit is provided for, in accordance with the Qatar Labour law and its based on current remuneration and cumulative years of service at the statement of financial position date. Provision for employees' end of service benefit is based on the management's best estimate of the amount required to meet the obligation and is computed at 21 days of last basic salary.

For defined benefit plans, the amount to be recognized in the provision is determined using the projected unit credit method. Independent actuaries M/s. Saked Singhal Actuarial and Financial consultants perform the actuarial valuations for the defined benefit plans on a regular basis. These valuations take place annually.

Actuarial gains and losses are charged or credited to equity in other comprehensive income in the period in which they arise. Past and current service costs are recognized immediately in the statement of profit or loss.

3.11 Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts. Restructuring provisions are recognised only if a detailed formal plan for the restructuring has been developed and implemented, or management has at least announced the plan's main features to those affected by it. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

3.11 Provisions, contingent liabilities and contingent assets (Continued)

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

3.12 Revenue from contracts with customers

3.12.1 Revenue recognition

The Company is engaged in the business of providing are slimming, skin, and hair services in Qatar. Revenue from providing services is recognised in the accounts period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

3.12.2 Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.13 Operating expenses

Operating expenses are recognised in statement of profit or loss and comprehensive income upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

3.14 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

a) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company obtain borrowing rate from the Qatar National Bank at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.14 Lease liabilities (Continued)

c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.15 Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of transaction. Exchange differences are included in statement of profit or loss for the year.

3.16 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, respectively.

Current

The current income tax charge is calculated on the basis of the Qatar Tax Law No. 24 of 2018. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred

Deferred income tax is recognized, using the liability method, on material temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements.

However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not account for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the existent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

4 PROPERTY AND EQUIPMENT

	Motor vehicles	Leasehold improvements	Machinery & equipment	Furniture & fixtures	Computers	Office equipment	Total
	QR						
Cost							
Balance as at April 01, 2019	81,370	43,777,528	5,412,663	365,617	630,894	265,450	50,533,522
Additions during the year	-	1,109,350	1,590,100	-	2,399	24,862	2,726,711
Balance as at March 31, 2020	**81,370**	**44,886,878**	**7,002,763**	**365,617**	**633,293**	**290,312**	**53,260,233**
Additions during the year	**-**	**-**	**2,123,216**	**1,350**	**12,858**	**1,887**	**2,139,311**
Balance as at March 31, 2021	**81,370**	**44,886,878**	**9,125,979**	**366,967**	**646,151**	**292,199**	**55,399,544**
Accumulated depreciation							
Balance as at April 01, 2019	81,369	29,707,871	1,683,477	267,118	521,425	143,698	32,404,958
Depreciation for the year	-	1,630,770	630,576	41,874	42,939	28,235	2,374,394
Balance as at March 31, 2020	**81,369**	**31,338,641**	**2,314,053**	**308,992**	**564,364**	**171,933**	**34,779,352**
Depreciation for the year	**-**	**1,695,746**	**814,499**	**19,248**	**17,721**	**28,659**	**2,575,873**
Balance as at March 31, 2021	**81,369**	**33,034,387**	**3,128,552**	**328,240**	**582,085**	**200,592**	**37,355,225**
Net book value							
As at March 31, 2021	**1**	**11,852,491**	**5,997,427**	**38,727**	**64,066**	**91,607**	**18,044,319**
As at March 31, 2020	1	13,548,237	4,688,710	56,625	68,929	118,379	18,480,881

Allocation of depreciation charge for the year is as follows:	**March 31,2021**	March 31,2020
	QR	
Cost of revenue	**814,499**	630,576
Indirect expenses	**1,761,374**	1,743,818
	2,575,873	2,374,394

		March 31, 2021	March 31, 2020
		----- QR -----	
5	**RIGHT OF USE ASSETS**		
	Cost		
	Opening balance	**3,216,629**	-
	Additions during the year	**5,499,041**	3,216,629
	Closing balance	**8,715,670**	3,216,629
	Accumulated depreciation		
	Opening balance	**2,001,336**	-
	Depreciation for the year	**1,977,607**	2,001,336
	Closing balance	**3,978,943**	2,001,336
	Net book value		
	As at March 31	**4,736,727**	1,215,293

5.1 The Company has leased three office building locations and classifies its right of use assets in a consistent manner on all locations. These leased assets cannot be used for borrowing purpose unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company.
Right of use assets are depreciated over the lease term on a straight-line basis.

			March 31, 2021	March 31, 2020
			----- QR -----	
6	**TRADE AND OTHER RECEIVABLES**			
	Refundable deposit		**203,940**	203,940
	Credit card receivables		**156,761**	26,281
	Staff advance		**18,657**	81,873
	Financial assets		**379,358**	312,094
	Prepaid expenses		**77,232**	133,993
	Advance to supplier		**312**	3,145
			456,902	449,232
7	**DUE FROM RELATED PARTY**	***Relationship***		
	VLCC International Inc. (BVI)	Shareholder	**1,690,130**	-

			March 31, 2021	March 31, 2020
			QR	
8	**CASH AND CASH EQUIVALENTS**			
	Cash at bank		**488,305**	73,999
	Cash in hand		**130,460**	5,084
			618,765	79,083
9	**SHARE CAPITAL**	**Share %**		
	International Project Development Company W.L.L	**51%**	**102,000**	102,000
	VLCC International Inc. (BVI)	**49%**	**98,000**	98,000
		100%	**200,000**	200,000
10	**EMPLOYEE END OF SERVICE BENEFITS**			
	Opening net liability		**816,756**	878,230
	Expenses as below		**373,173**	272,229
	Benefits paid		**(308,134)**	(333,703)
	Employees' gratuity		**881,795**	816,756
	Transferred to current portion		**(28,511)**	(35,317)
	Non current portion		**853,284**	781,439

The employees' benefit obligation as at the balance sheet date for the reporting year are as follows:

	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	**597,238**	532,199
Fair value of plan asset	**-**	-
Unfunded provision/liability recognized and to be recognized in balance sheet	**-**	-
	597,238	532,199
Movement in the present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**532,199**	470,235
Interest cost	**50,477**	54,270
Current service cost	**188,626**	255,697
Benefit paid	**(308,134)**	(333,703)
Actuarial (gain)/loss	**134,070**	85,700
	597,238	532,199
Present value of defined benefit obligation at the end of the year		
Amount recognized in profit and loss account:		
Current service cost	**188,626**	255,697
Interest cost	**50,477**	54,270
Reversal of excess provision	**-**	(123,438)
Total defined benefit cost included in the statement of profit or loss	**239,103**	186,529

10 EMPLOYEE END OF SERVICE BENEFITS *(Continued)*	**March 31, 2021**	March 31, 2020
	------------- QR	-------------
Amount recognized in other comprehensive income:		
Effect of experience adjustments	**88,022**	(13,282)
Effect of charges of financial assumption	**46,048**	99,586
Effect of change in demographic assumptions	**-**	(604)
Total remeasurements recognized in other comprehensive income	**134,070**	85,700
Principal actuarial assumptions used were as follows:		
Discount rate per annum	**5.86%**	6.24%
Expected rate of increase in eligible salary per annum	**4**	4
Retirement age in years	**60**	60
Mortality table	**IALM {2012-2014}**	IALM {2012-2014}
Employee turn over rate		
All ages	**2%**	2%

11 LEASE LIABILITY

The Company has lease for the wellness center building at 3 locations. The same leases are reflected on the statement of financial position as a right-of-use and a lease liability. The Company classifies its right-of-use assets in a consistent manner. This lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company.

	Notes	**March 31, 2021**	March 31, 2020
		------------- QR	-------------
Opening		**1,236,844**	-
Addition during the year		**5,499,041**	3,216,629
Accrued interest during the year		**203,337**	156,215
Less: Payment made during the period		**(473,500)**	-
Less: Payment made during the period		**(1,603,500)**	(2,136,000)
Closing		**4,862,222**	1,236,844
Current portion		**1,939,501**	1,077,307
Non-Current portion		**2,922,721**	159,537

Amount recognised in statement of profit or loss due to IFRS 16:

Depreciation expense of right-of-use assets	**1,977,607**	2,001,336
Interest expense on lease liabilities	**203,337**	156,215
Total amount recognised in statement of profit or loss	**2,180,944**	2,157,551

During the year Company accounted rent wavier for 3 months for all location as according to the practical expedient issued under IFRS 16 Leases. According to this practical expedient Company have charged the temporary rent concession as the other income in the statement of profit or loss during the year under following lease contracts;

Location	**Al Wabb Branch**	**C - Ring Branch**	**Al Duhail Branch**	**Monthly amount**
April	65,000	65,000	42,000	**172,000**
May	65,000	55,000	42,000	**162,000**
June	65,000	-	42,000	**107,000**
July	32,500	-	-	**32,500**
Total	227,500	120,000	126,000	**473,500**

		Notes	March 31, 2021	March 31, 2020
			------------- QR -------------	
12	**TRADE AND OTHER PAYABLES**			
	Deferred revenue		**1,379,347**	1,682,339
	Trade creditors		**1,620,931**	727,615
	Other payables		**109,482**	341,262
	Tax payable	**18**	**133,765**	201,307
	Accrued expenses		**23,565**	50,290
			3,267,090	3,002,813
13	**STAFF EXPENSES PAYABLE**			
	Salary and incentive payable to staff		**1,331,726**	1,036,459
	Other payables to staff		**144,279**	166,536
			1,476,005	1,202,995
15	**REVENUE**			
	Beauty regular sales		**8,749,142**	10,308,614
	Slimming sales		**7,810,111**	11,243,468
	Dermat Package		**6,605,769**	7,209,748
	Laser Package		**4,871,258**	6,333,198
	Beauty sales		**1,597,225**	2,028,501
	Product sales		**938,052**	1,592,448
	Less: return		**(78,582)**	-
			30,492,975	38,715,977

		Relationship	March 31, 2021	March 31, 2020
14	**DUE TO RELATED PARTIES**			
	Bellewave Cosmetics PTE Ltd	Under Common Control	**758,524**	727,484
	International Project Development Company W.L.L	Shareholder	**407,813**	295,313
	VLCC Personal Care Ltd	Under Common Control	**32,305**	4,336
			1,198,642	1,027,133

		March 31, 2021	March 31, 2020
16	**GENERAL AND ADMINISTRATIVE EXPENSES**		
	Salaries and allowances	**9,442,149**	11,509,416
	Local advertisement	**2,275,311**	2,532,995
	Cleaning charges	**612,819**	771,362
	Repair and maintenance	**370,469**	100,954
	Telephone and communication	**281,991**	331,895
	Management fees	**262,500**	262,497
	Visa expenses	**201,028**	174,586
	Bank charges	**155,013**	395,974
	Water and electricity	**149,181**	191,356
	Travelling expenses	**88,442**	182,226
	Printing and stationery	**87,177**	54,319
	Staff welfare	**82,575**	253,566
	Legal and professional charges	**82,116**	31,369
	Insurance expense	**49,846**	47,487

To be continued

	March 31, 2021	March 31, 2020
	------------- **QR** -------------	

16 GENERAL AND ADMINISTRATIVE EXPENSES (Continued)

Business promotion	**17,448**	4,913
Other expenses	**13,205**	140
Event expenses	**2,795**	26,555
Rent	**-**	15,750
	14,174,065	16,887,360

17 FINANCE COST

Interest on lease liability	**203,337**	156,215
Credit cards interest	**239,967**	333,024
	443,304	489,239

18 INCOME TAX

The Company is subject to income tax in accordance with the provisions of Income Tax Law no. 24 of 2018. The income tax is based on the profit attributable, directly or indirectly to non Qatari share holder. In accordance with the Company's Articles of Association, 95% of profit is attributable to its foreign share holders.

	March 31, 2021	March 31, 2020
	------------- **QR** -------------	
Profit before tax for the year	**1,139,914**	2,119,017
Adjustments:		
Non deductible provisions	**-**	-
Non deductible salaries and wages	**-**	-
Non deductible depreciation	**-**	-
	1,139,914	2,119,017
Carry forward losses	**-**	-
Taxable income for the year	**1,139,914**	2,119,017
Tax = taxable income x 10%	**113,991**	211,902
Share of non Qatari share holder	**95%**	95%
Tax due	**108,292**	201,307
Total income tax due	**108,292**	201,307

19 RELATED PARTIES AND TRANSACTIONS

Related parties represent associated companies, shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

19.1 Transactions with related party included in the statement of profit or loss are as follows:

Description	**Classification**	**Company name**	**Residency of related party**	**March 31, 2021**	**March 31, 2020**
				-----------------**QR**-----------------	
Consumable products	Cost of revenue	VLCC Personal Care Ltd.	India	**10,713**	2,520,000
Consumable products	Cost of revenue	Bellewave Cosmatics Pte Ltd.	Singapore	**126,600**	-
Travelling expense	Cost of revenue	VLCC International Inc. (BVI)	British Virgin Islands	**-**	1,020,000
Support office expense	Cost of revenue	VLCC International Inc. (BVI)	British Virgin Islands	**1,800,000**	1,122,000
Corporate salary	Cost of revenue	VLCC International Inc. (BVI)	British Virgin Islands	**6,000,000**	6,987,350
Advertisement expenses	General and administrative	VLCC International Inc. (BVI)	British Virgin Islands	**2,100,000**	2,470,000
Management fee	General and administrative	International Project Development Company W.L.L	Qatar	**262,500**	262,497

19 RELATED PARTIES AND TRANSACTIONS (Continued)

19.2 The nature of relationship with each related party is as follows:

Name of related party	Location	Nature of relationship
Bellewave Cosmetics PTE Ltd	Singapore	Entity under common ownership
VLCC Personal Care Ltd	India	Entity under common ownership
International Project Development company W.L.L	Qatar	51% Shareholder
VLCC International Inc. (BVI)	Britain	49% Shareholder
Mukesh Luthra	India	Key management personnel
Jayant Khosla	India	Key management personnel
Sanjay Mehta	India	Key management personnel
Rajiv Krishan Luthra	India	Key management personnel
Sanjay Kapoor	India	Key management personnel
Roshni Hemant Bakshi	India	Key management personnel

20 CONTINGENCIES AND COMMITMENTS

During the year 4 legal claims were brought against the Company. These cases were lodged by the past employees Out of these cases 2 of them court ruled decision in the favour of plaintiff and the Company have to pay the settlement amount to close the case. The remaining 2 cases are still ongoing and the decision is still to be announced by the Court. The Management of the Company considers these open claims to be unjustified and the probability that they will require settlement at the Company's expense to be remote. Therefore no adjustment to amount or disclosure is made in these financial statements as at reporting date.

Plaintiff	Defendant	Forum	Claim	Liability recognized	Contingent liability	Court decision amount	Remarks
Eva Francisco	VLCC - Alwaab Centre	Labour Court in ADLSA	52,195	28,932	23,263	-	Ongoing case
Dr. Marwa Said	VLCC - C Ring road Center	Labour Court in ADLSA	60,000	-	-	-	Ongoing case
Karthikeyan shanmugam	VLCC - Duhail Centre	Labour Court in ADLSA	42,000	10,615	-	10,615	Setlled and case closed
Sara	VLCC - Alwaab Centre	Civil Court	17,000	17,000	-	17,000	Setlled and case closed

21 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to raise finance for the Company's operations. Financial instrument comprises of cash and bank balances, trade and other receivables, payables and due to related parties. The most significant financial risk to which the company is exposed to are described below:

21.1 Credit risk management

Credit risk represents the accounting loss that would be recognized on the reporting date if counter parties fail to perform as contracted. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	March 31, 2021	March 31, 2020
	------------- **QR**	-------------
Refundable deposit	**203,940**	203,940
Credit card receivables	**156,761**	26,281
Cash and cash equivalents (cash at bank only)	**488,305**	73,999
Staff advances	**18,657**	81,873
Financial assets	**867,663**	386,093

The Company's exposure to credit is limited and is controlled by the application of credit approval, limits and monitoring procedures. In addition, balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

21 FINANCIAL RISK MANAGEMENT (Continued)

21.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. Since Company has sufficient assets against its liabilities, and being a subsidiary it does not have any significant liquidity risk.

The maturity profile of the Company's financial assets and liabilities based on at March 31 is summarized below:

2021	Effective yield/ Interest Rate	Markup/ Interest bearing	Non markup/ Interest bearing	Total
Financial assets				
Maturity up to one year				
Refundable deposits	-	-	**203,940**	**203,940**
Credit card receivables	-	-	**156,761**	**156,761**
Staff advance	-	-	**18,657**	**18,657**
Due from related party	-	-	**1,690,130**	**1,690,130**
Cash and cash equivalents			**618,765**	**618,765**
		-	**2,688,253**	**2,688,253**
Maturity after one year:				
Other long term financial assets	-	-	-	-
		-	**-**	**-**
Total		**-**	**2,688,253**	**2,688,253**
Financial liabilities				
Maturity up to one year				
Trade creditors	-	**-**	**1,620,931**	**1,620,931**
Salary and incentive payable to staff	-	**-**	**1,476,005**	**1,476,005**
Other payables	-	**-**	**109,482**	**109,482**
Accrued expenses	-	**-**	**23,565**	**23,565**
Tax payable	-	**-**	**133,765**	**133,765**
Due to related parties	-	**-**	**1,198,642**	**1,198,642**
Short term lease liabilities	**7%**	**1,939,501**	**-**	**1,939,501**
Short term portion of end of service bene	**5.86%**	**28,511**	**-**	**28,511**
		1,968,012	**4,562,390**	**6,530,402**
Maturity after one year:				
Long term lease liabilities	**7%**	**2,922,721**	**-**	**2,922,721**
Long term portion ofend of service benel	**5.86%**	**853,284**	**-**	**853,284**
		3,776,005	**-**	**3,776,005**
Total		**5,744,017**	**4,562,390**	**10,306,407**
Liquidity Gap		**(5,744,017)**	**(1,874,137)**	**(7,618,154)**

21 FINANCIAL RISK MANAGEMENT (Continued)

21.2 Liquidity risk (Continued)

2020	Effective yield/ Interest Rate	Markup/ Interest bearing	Non markup/ Interest bearing	Total
Financial assets				
Maturity up to one year				
Refundable deposits	-	-	203,940	203,940
Credit card receivables	-	-	26,281	26,281
Staff advance	-	-	81,873	81,873
Due from related parties	-	-	-	-
Cash and cash equivalents	-	-	79,083	79,083
		-	391,177	391,177
Maturity after one year:				
Other long term financial assets	-	-	-	-
		-	-	-
Total		-	391,177	391,177
Financial liabilities				
Maturity up to one year				
Trade creditors	-	-	3,002,813	3,002,813
Salary and incentive payable to staff	-	-	1,202,995	1,202,995
Other payables	-	-	341,262	341,262
Accrued expenses	-	-	50,290	50,290
Tax payable	-	-	201,307	201,307
Due to related parties	-	-	1,027,133	1,027,133
Short term lease liabilities	7%	1,077,307	-	1,077,307
Short term portion of end of service bene	6.24%	35,317	-	35,317
		1,112,624	5,825,799	6,938,423
Maturity after one year:				
Long term lease liabilities	7%	159,537	-	159,537
Long term portion ofend of service benel	6.24%	781,439	-	781,439
		940,976	-	940,976
Total		2,053,600	5,825,799	7,879,399
Liquidity Gap		(2,053,600)	(5,434,622)	(7,488,222)

21.3 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. Differences can therefore arise between the book values under historical cost method and fair value estimates. The management believes that the fair value of the financial assets and liabilities of the company are not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Level 1: Quoted prices (unadjusted) prices in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets of liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities at

21 FINANCIAL RISK MANAGEMENT (Continued)

21.3 Fair value of financial instruments

	Classification	Carrying amount	Fair value hierarchy
March 31, 2021			
Financial assets			
Trade and other receivables	**Amortised cost**	**379,358**	-
Due from related party	**Amortised cost**	**1,690,130**	-
Cash and cash equivalents	**Amortised cost**	**618,765**	-
		2,688,253	
Financial liabilities			
Trade and other payables	**Amortised cost**	**1,730,413**	-
Staff expense payable	**Amortised cost**	**1,476,005**	-
		3,206,418	
March 31, 2020			
Financial assets			
Trade and other receivables	Amortised cost	312,094	-
Due from related party	Amortised cost	-	-
Cash and cash equivalents	Amortised cost	79,083	-
		391,177	
Financial liabilities			
Trade and other payables	Amortised cost	1,068,877	-
Staff expense payable	Amortised cost	1,202,995	-
		2,271,872	

21.4 Capital management

Capital includes equity attributable to the equity holders. The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratios in order to support its business and maximise shareholders value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders. No changes were made in the objectives, policies or processes during the years ended March 31, 2021.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.
The Company includes within net debt trade Long term debts, less cash and cash equivalents. Capital includes equity attributable to the equity holders less the reserve, As the company doesn’t hold any long term debt the gearing ratio is not presented.

21.5 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk.

a) Currency / Foreign exchange rate risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from commercial transactions in foreign currencies. Most of the company's transaction are carried out in Qatari Riyals and transactions are also carried out in AED and U.S. Dollars. The management accounts for such transactions on the prevailing rate as at the date of transaction.

21 FINANCIAL RISK MANAGEMENT (Continued)

21.5 Market risk (Continued)

b) Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The significant portion of Company's financials assets and liabilities as at March 31, 2021 are not exposed to interest rate fluctuations.

c) Other price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to equity securities price risk since it does not hold such instruments.

22 RECLASSIFICATION

Following comparative figures have been reclassified in order to conform with current year's presentation and improve the quality of information presented. Certain prior year phrases have been rephrased wherever necessary in order to give more fair view to the financial statements. However, there is no effect on previously reported total assets, total equity, total liabilities and profit for the year, therefore, the requirement for presentation of three statements of financial position as per IAS 1 "Presentation of Financial Statements" is omitted.

Reclassified from		**Reclassified to**	
Statement of financial position	**---- QR ----**	**Statement of financial position**	**---- QR ----**
Trade and other payables	1,022,797	Due to related parties	1,022,797
Statement of profit or loss	**---- QR ----**	**Statement of profit or loss**	**---- QR ----**
Selling and distribution expenses	1,693,845	General and administrative expen:	1,693,845

23 GENERAL

23.1 Rounding off

Figures have been rounded off to the nearest QR 1.

23.2 Events occurring after the reporting date

On March 11, 2020, the World Health Organization (WHO) declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 210 countries now affected. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates, and rising unemployment claims. For the purpose of these financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. However, due to closure of business across Qatar, the Company's operating activities were effected resulting to significant decline in revenue subsequent to the reporting date which may affect the Company's financial position in future. Consequently, the impact on the recognition and measurement of assets and liabilities can not be determined.
No other significant event occurred subsequent to reporting date except disclosed above.

23.3 Date of authorization

These financial statements for the year ended March 31, 2021 were authorized for issue by the Directors of the company, signed on ___________________ on their behalf by the General Manager of the company.