NIIT Technologies FZ LLC
Dubai Creative Clusters,
Dubai - United Arab Emirates

Auditor's report and
Financial statements
For the year ended March 31, 2019

NIIT Technologies FZ LLC
Dubai - United Arab Emirates

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NIIT Technologies FZ LLC
Dubai Creative Clusters,
Dubai - United Arab Emirates

General information

Principal office address	:	Premises 206, Floor 2, Building 04, Dubai Outsource City, P. O. Box: 500822 Dubai, United Arab Emirates T: +971 4 435 5748 F: +971 4 4355749	
The Director	:	**Name** Pankaj Malik	**Nationality** United Kingdom
The Auditor	:	CALX International Auditing Of Accounts Dubai, United Arab Emirates	
The Bank	:	Emirates NBD	

NIIT Technologies FZ LLC

Dubai Creative Clusters, Dubai - United Arab Emirates

Directors' report

The Directors have pleasure in presenting their report and the audited financial statements for the year ended March 31, 2019.

Principal activities of the Entity

The Company is licensed by Dubai Creative Clusters Authority to provide services of consultancy, customer service, developer, solution provider and support service providers.

Financial review

The table below summarizes the results of 2019 and 2018 denoted in Arab Emirates Dirham (AED).

	March 31, 2019	March 31, 2018
Revenue	**52,619,759**	45,829,885
Gross profit	**5,336,308**	4,515,343
Net profit	**1,223,522**	1,580,707
Gross profit ratio	**10.14%**	9.85%
Net profit ratio	**2.33%**	3.45%

Role of the Directors

The Directors are the Entity's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Entity for delivering sustainable shareholder value through its guidance and supervision of the Entity's business. The Directors sets the strategies and policies of the Entity . They monitors performance of the Entity's business, guides and supervises its management.

Auditor

M/s. CALX International Auditing Of Accounts, is willing to appoint in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

Statement of Directors' responsibilities

The applicable requirements, requires the Directors to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the entity and its financial performance for the year then ended.

The audited financial statements for the year under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Entity and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirmthat appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Entity's financial conditions and results of its operations.

These financial statement were approved by the Board and signed on behalf by the authorized representative of the Company.

Pankaj Malik
Director

April 24, 2019

P.O.Box: 500822
Dubai - U.A.E.
NIIT TECHNOLOGIES FZ LLC

كالكس انترناشيونال
لمراجعة الحسابات
CALX International
Auditing & Accounts

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Independent auditor's report

To,
The Shareholder
NIIT Technologies FZ LLC
Dubai Creative Clusters,
Dubai - United Arab Emirates

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of NIIT Technologies FZ LLC, Dubai - United Arab Emirates ("Entity") which comprise the statement of financial position as at March 31, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity, 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 financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 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 Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Entity in accordance with the requirements of Code of Ethics for Professional Accountants, issued by International Ethics Standards Board for Accountants (IESBA) together with ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Entity 's financial reporting process.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity 's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

We communicate with those charge with governance 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.

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Report on other legal and regulatory requirements

As required by the Law No. 15 of 2014 concerning the Dubai Creative Clusters, we further confirm that,

1 We have obtained all the information and explanations which we consider necessary for our audit.

2 The financial statements have been prepared and comply in all material respects with the applicable provisions of the Law No. 15 of 2014 concerning the Dubai Creative Clusters, and the Memorandum and Articles of Association of the Entity.

3 Proper books of accounts have been maintained by the Entity.

4 The contents of the Directors' report which relates to the financial statements are in agreement with the Entity 's books of account.

5 Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Entity has contravened, during the financial year ended, any of the applicable provisions of the Law No. 15 of 2014 concerning the Dubai Creative Clusters or the Memorandum and Articles of Association of the Entity, which would materially affect its activities or its financial position as of March 31, 2019.

For Calx International Auditing of Accounts

N. I. Patel

Nirav Patel
Partner
Auditor Registration No. 939

كالكس انترناشيونال لمراجعة الحسابات
DUBAI - U.A.E.
CALX INTERNATIONAL AUDITING OF ACCOUNTS

April 24, 2019
Dubai, U.A.E.

NIIT Technologies FZ LLC
Dubai Creative Clusters, Dubai - United Arab Emirates

Statement of financial position as at March 31, 2019
In Arab Emirates Dirham

	Notes	2019	2018
Assets			
Non-current assets			
Property, plant and equipment	4	**19,868**	18,132
Total non current assets		**19,868**	18,132
Current assets			
Due from related parties	5	**1,639,707**	291,601
Accounts receivables	6	**10,805,730**	7,653,674
Advances, deposits and other receivables	7	**8,210,824**	8,586,924
Cash and bank balances	8	**3,320,372**	6,778,988
Total current assets		**23,976,633**	23,311,187
Total assets		**23,996,501**	23,329,319
Equity and liabilities			
Equity			
Share capital	9	**5,000,000**	5,000,000
Retained earnings	10	**3,710,664**	2,487,142
Total equity		**8,710,664**	7,487,142
Non-current liabilities			
Term loan non-current portion	11	**6,243,250**	6,243,250
Employees' end of service benefits	12	**3,832,155**	3,022,606
Total non-current liabilities		**10,075,405**	9,265,856
Current liabilities			
Due to related parties	5	**2,265,537**	5,497,161
Accounts and other payables	13	**2,336,794**	528,635
Accrued and other liabilities	14	**608,101**	550,525
Total current liabilities		**5,210,432**	6,576,321
Total liabilities		**15,285,837**	15,842,177
Total equity and liabilities		**23,996,501**	23,329,319

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 and 5.

The financial statements on pages 5-27 were approved on April 24, 2019 and signed on behalf of the Entity, by:

Pankaj Malik
Director

P.O.Box: 500822
Dubai - U.A.E.
NIIT TECHNOLOGIES FZ LLC

NIIT Technologies FZ LLC

Dubai Creative Clusters, Dubai - United Arab Emirates

Statement of profit or loss and other comprehensive income for the year ended March 31, 2019

In Arab Emirates Dirham

	Notes	2019	2018
Revenue	15	**52,619,759**	45,829,885
Direct cost	16	**(47,283,451)**	(41,314,542)
Gross profit		**5,336,308**	4,515.343
Other income	17	**60**	194
Administrative expenses	18	**(2,852,580)**	(3,032,631)
Finance costs	19	**(298,021)**	(208,774)
Net profit for the year		**2,185,767**	1,274,132
Other comprehensive income		**(962,245)**	306,575
Total comprehensive income for the year		**1,223,522**	1,580,707

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

The report of the auditor is set out on pages 3 and 5.

The financial statements on pages 5-27 were approved on April 24, 2019 and signed on behalf of the Entity, by:

Pankaj Malik

Director

P.O.Box: 500822

Dubai - U.A.E.

NIIT TECHNOLOGIES FZ LLC

NIIT Technologies FZ LLC

Dubai Creative Clusters, Dubai - United Arab Emirates

Statement of changes in equity for the year ended March 31, 2019

In Arab Emirates Dirham

	Share capital	Retained earnings	Total equity
Balance as at March 31, 2017	5,000,000	906,435	5,906,435
Profit for the year	-	1,580,707	1,580,707
Balance as at March 31, 2018	5,000,000	2,487,142	7,487,142
Profit for the year	-	1,223,522	1,223,522
Balance as at March 31, 2019	**5,000,000**	**3,710,664**	**8,710,664**

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

The report of the auditor is set out on pages 3 and 5.

NIIT Technologies FZ LLC
Dubai Creative Clusters, Dubai - United Arab Emirates

Statement of cash flows for the year ended March 31, 2019
in Arab Emirates Dirham

	2019	2018
Cash flows from operating activities		
Net profit for the year	**1,223,522**	1,580,707
Adjustments for:		
(Gains)/losses on sale of property, plant and equipment	**2,849**	-
Depreciation on property, plant and equipment	**7,591**	7,424
Finance costs	**298,021**	208,774
Provision for employees' end of service benefits	**1,007,357**	795,738
	2,539,340	2,592,643
(Increase) / decrease in current assets		
Accounts receivables	**(3,152,056)**	1,789,425
Advances, deposits and other receivables	**376,100**	(4,324,440)
Due from related parties	**(1,348,106)**	(228,186)
Increase / (decrease) in current liabilities		
Accounts and other payables	**1,808,159**	(713,531)
Accrued and other liabilities	**57,576**	453,665
Due to related parties	**(3,231,624)**	3,224,440
Cash (used in) / generated from operations	**(2,950,611)**	2,794,015
Employees' end-of-services benefits paid	**(197,808)**	(1,860,112)
Finance costs paid	**(298,021)**	(208,774)
Net cash (used in) / from operating activities	**(3,446,440)**	725,129
Cash flows from investing activities		
Purchase of property, plant and equipment	**(12,176)**	(3,031)
Net cash (used in) investing activities	**(12,176)**	(3,031)
Cash flows from financing activities		
Proceeds from/repayment of borrowings	-	2,937,730
Net cash from financing activities	-	2,937,730
Net (decrease) / increase in cash and cash equivalents	**(3,458,616)**	3,659,828
Cash and cash equivalents, beginning of the year	**6,778,988**	3,119,160
Cash and cash equivalents, end of the year	**3,320,372**	6,778,988
Cash and cash equivalents		
Cash at bank	**3,320,372**	3,729,910
Remittances in transit	-	3,049,078
	3,320,372	6,778,988

The accompanying notes form an integral part of these financial statements.
The report of the auditor is set out on pages 3 and 5.

1 Legal status and business activities

1.1 NIIT Technologies L.L.C., Dubai – United Arab Emirates (the "Company") was registered on April 14, 2008 as a Free Zone Limited Liability Company and operates in the United Arab Emirates under a license issued by the Commercial Registration Dubai Creative Clusters Authority.

1.2 The Company is licensed by Dubai Creative Clusters Authority to provide services of consultancy, customer service, developer, solution provider and support service providers.

1.3 The registered office of the Company is located at Premises 206, Floor 2, Building 04, Dubai Outsource City, Dubai, United Arab Emirates.

1.4 The management and control are vested with Mr. Pankaj Malik, Director, United Kingdom National vide notarised resolution effective from February 22, 2019.

1.5 These financial statements combine the operating results of the below entities:

Company name	License No.	Issued by
NIIT Technologies FZ - LLC	16704	Dubai Creative Cluster Authority
NIIT Technologies FZ - LLC - Dubai Branch	ADAFZ00065	Abu Dhabi Airport Free Zone

2 New and amended standards

2.1 New and revised IFRSs applied with no material effect on the financial statements

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2017. The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Amendments in Disclosure Initiative (Amendments to IAS 7 Statement of Cash Flows) that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Annual Improvements to IFRSs 2014-2016 cycles: The amendments clarify that the disclosure requirements of IFRS 12 apply to interests in entities that are classified as held for sale, except for summarized financial information.

The following amended standards and interpretations are not expected to have significant impact on the Company's financial statements;

New and revised standards and amendments	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014–2016 Cycle on 8 March 2016, amending the standards: IFRS 1- First-time Adoption of International Financial Reporting Standards and IAS 28 Investments in Associates and Joint Ventures .	January 1, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration: The interpretation clarifies the date of the transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an Company pays or receives consideration in advance for foreign currency denominated contracts.	January 1, 2018

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2- Share-based Payment) contains the clarifications and amendments: The amendments pertains to accounting for cash-settled share-based payment transactions that include a performance condition; classification of share-based payment transactions with net settlement features; accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are to be applied prospectively. However, retrospective application if allowed if this is possible without the use of hindsight.	January 1, 2018
IFRS 9 "Financial Instruments": Issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements).	January 1, 2018
Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4) to address concerns about the different effective dates of IFRS 9 and the new insurance contracts standard. An Company choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9.	January 1, 2018
Amended by Transfers of Investment Property (Amendments to IAS 40- Investment Property): An Company shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.	July 1, 2018
IFRS 15 "Revenue from Contracts with Customers": IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations when it becomes effective.	January 1, 2018
IFRS 16 "Leases": The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations. Earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.	January 1, 2019

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements in the period of initial application.

3 Significant accounting policies

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards. These financial statements are presented in United Arab Emirates Dirham (AED) which is the Company functional and presentation currency.

3 Significant accounting policies (continued)

3.2 Basis of preparation

The financial statements have been prepared on the historical cost basis , as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets or goods or services.

The principal accounting policies applied in these financial statements are set out below.

3.3 Current/Non current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

3.4 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3.5 Foreign currency

The transactions in currencies other than the Company's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. The non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

3 Significant accounting policies (continued)

3.6 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and identified impairment loss, if any. The cost comprise of purchase price, together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation is spread over its useful lives so as to write off the cost of property, plant and equipment,, using the straight-line method over its useful lives as follows:

	Years
Plant and machinery	2 - 5 years
Leasehold improvements	3 years or lease period, whichever is lower
Furniture and fixtures	4 - 10
Office equipment	5

When part of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The building and leasehold improvements are being depreciated over the period from when it became available for use up to the end of the lease term.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss.

3.9 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

3 Significant accounting policies (continued)

3.12 Financial instruments

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

3.13 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss ' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in the current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise "trade and other receivables", "cash and cash equivalents", due from related parties", "shareholders' loan" and "loan from related parties" in the statement of financial position. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Accounts and other receivables

Accounts receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Accounts and other receivables are initially recognised at fair value and subsequently measured at amortised cost reduced by appropriate allowance for estimated doubtful debts.

Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

3 Significant accounting policies (continued)

3.13 Financial assets (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts, it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

3.14 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, due to and loans from related parties.

Accounts and other payables

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Accounts and other payables are recognised initially at fair value and subsequently are measured at amortised cost using effective interest method.

Loans and other borrowings

Loans and other borrowings are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted on accrual basis and are added to the carrying value of the instruments to the extent that they are not settled in the period in which they arise.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3 Significant accounting policies (continued)

3.15 Offsetting financial instruments

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

3.16 Borrowing cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

3.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract, when the outcome of the transaction and related revenue and cost can be measured reliably, and that economic benefit flows to the Company.

3.19 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in policy notes, the management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

The significant judgments and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

3 Significant accounting policies (continued)

3.19 Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

In the process of applying the Company's accounting policies, which are described above, and due to the nature of operations, management makes the following judgment that has the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

Under normal circumstances, in recognising the revenue the management is of the view that in line with the requirement of IAS 18 "Revenue", the risk and reward of ownership is transferred to the buyers of the goods and services and that revenue is reduced for the estimated returns, rebate and other allowances (if any).

Management has considered the detailed criteria for the recognition of revenue from sale of goods as set out in International Accounting Standard 18 Revenue and in particular whether the Company had transferred risks and rewards of ownership of the goods. Based on the acceptance by the customer of the liability for the goods sold, management is satisfied that the significant risks and rewards have been transferred and the recognition of revenue is appropriate.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting 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.

Allowance for doubtful debts

Allowances for doubtful debts are determined using a combination of factors to ensure that trade receivables are not overstated due to uncollectibility. The allowance for doubtful debts for all customers is based on a variety of factors, including the overall quality and ageing of receivables, continuing credit evaluation of the customer's financial conditions and collateral requirements from customers in certain circumstances. In addition, specific allowances for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations.

Useful lives of property and equipment

Property and equipment is depreciated over its estimated useful life, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

Leasehold improvements

Management determines the estimated useful life and related depreciation charges for its leasehold improvements. This estimate is based on an assumption that the Company will renew its annual lease over the estimated useful life of the asset. It could change significantly should the annual lease not be renewed. Management will increase the depreciation charge where the useful life is less than the previously estimated useful life.

4 Property, plant and equipment

	Plant and machinery	Furniture and fixtures	Total
Cost			
As at March 31, 2017	78,743	24,774	103,517
Additions during the year	3,031		3,031
As at March 31, 2018	81,774	24,774	106,548
Additions during the year	12,176	-	12,176
Disposals during the year	-	(67,079)	(67,079)
Transfer during the year	(51,941)	51,941	-
As at March 31, 2019	**42,009**	**9,636**	**51,645**
Accumulated depreciation			
As at March 31, 2017	63,911	17,081	80,992
Charge for the year	5,568	1,856	7,424
As at March 31, 2018	69,479	18,937	88,416
Charge for the year	6,107	1,484	7,591
Eliminated on disposal during the year	-	(64,230)	(64,230)
Transfer during the year	(51,590)	51,590	-
As at March 31, 2019	**23,996**	**7,781**	**31,777**
Carrying value as at March 31, 2019	**18,013**	**1,855**	**19,868**
Carrying value as at March 31, 2018	12,295	5,837	18,132

Notes:

	Notes	For the year ended March 31, 2019	2018
		AED	AED
Administrative expenses	18	**7,591**	7,424
		7,591	7,424

5 Related party transactions

The Company enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, Related party disclosures. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

a) Due from related parties

	2019	2018
NIIT Technologies Limited, UK	**257,717**	291,601
NIIT Technologies Pte Limited, Singapore	**1,381,990**	-
	1,639,707	291,601

b) Due to related parties

	2019	2018
NIIT Technologies Limited, India	**1,065,195**	1,301,469
NIIT Technologies Limited (NSU1), India	**1,105,877**	4,096,436
NIIT Technologies Limited, UK	**3,670**	2,681
NIIT Smart Serve Limited, India	**85,234**	96,575
NIIT Technologies Inc., USA	**5,561**	-
	2,265,537	5,497,161

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	For the year ended March 31,	
	2019	2018
Services	**3,567,098**	719,289
Cost	**12,824,868**	11,959,483
Expenses	**831,555**	144,609

d) Key management personnel compensations

The compensation of key management personnel is as follows:

Salaries	**643,676**	525,786
	643,676	525,786

6 Accounts receivables

	2019	2018
Accounts receivables	**10,805,730**	7,698,194
	10,805,730	7,698,194
Less: Allowance for doubtful debts	**-**	(44,520)
	10,805,730	7,653,674

The average credit period for the accounts receivables is 30-60 days (2017: 30-60 days). Provisions are based on the estimated irrecoverable amounts determined by reference to past default experience.

6 Accounts receivables (continued)

Of the accounts receivables as at March 31, 2019, there are 5 customers (2018: 5 customers) which represent 77.68% (2017: 89.26%) of the total receivables.

Ageing of receivables:

	2019	2018
1 -90 days	**10,687,792**	6,816,809
91 - 180 days	**51,342**	301,925
181 - 365 days	**66,596**	435,676
366 and above	**-**	143,784
	10,805,730	7,698,194

The movements in the allowance for doubtful debt as at reporting date are as follows:

	2019	2018
Balance at the beginning of the year	**44,520**	481,999
Charge during the year	**6,500**	94,945
Reversal during the year	**(51,020)**	(532,424)
Balance at the end of the year	**-**	44,520

In determining the recoverability of accounts receivables, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the management believes that there is no further credit allowance required for doubtful debts.

7 Advances, deposits and other receivables

	2019	2018
Prepayments	**1,685,273**	1,118,467
Security deposits	**372,238**	253,738
Margin deposits	**440,000**	3,300,000
Unbilled revenue	**5,570,998**	3,755,732
Staff loan and advances	**142,315**	158,987
	8,210,824	8,586,924

8 Cash and bank balances

	2019	2018
Cash at bank	**3,320,372**	3,729,910
Remittance in transit	**-**	3,049,078
	3,320,372	6,778,988

9 Share capital

Authorised, issued and paid up capital of the Company is AED 5,000,000/-, divided into 5,000 shares of AED 1,000/- each fully paid.

The details of the shareholding as at reporting date are as follows:

Name of Shareholders	Incorporated	Percentage	No of shares	2019	2018
NIIT Technologies Limited	India	100%	**5,000**	**5,000,000**	5,000,000
		100%	**5,000**	**5,000,000**	5,000,000

10 Retained earnings

	2019	2018
Balance at the beginning of the year	**2,487,142**	906,435
Profit for the year	**1,223,522**	1,580,707
Balance at the end of the year	**3,710,664**	2,487,142

11 Term Loan

	2019	2018
Unsecured loans from subsidiaries	**6,243,250**	6,243,250
Less: Non current portion	**(6,243,250)**	(6,243,250)
	-	-

The above unsecured loans taken from NIIT Technologies Inc., Incorporated in USA for working capital purpose with 4% simple rate of interest per annum with repayment as agreed.

12 Employees' end of service benefits

	2019	2018
Balance at the beginning of the year	**3,022,606**	4,086,980
Add: charge for the year	**1,007,357**	795,738
Less: paid / reversed during the year	**(197,808)**	(1,860,112)
Balance at the end of the year	**3,832,155**	3,022,606

Amounts required to cover end of service indemnity at the statement of financial position date are computed pursuant to the applicable Labour Law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

13 Accounts and other payables

	2019	2018
Accounts payables	**2,336,794**	528,635
	2,336,794	528,635

14 Accrued and other liabilities

	2019	2018
Accrued salaries and benefits	**133,776**	254,599
Tax payable	**474,325**	295,926
	608,101	550,525

	For the year ended March 31, 2019	For the year ended March 31, 2018
15 Revenue		
Sale of services	**52,619,759**	45,829,885
	52,619,759	45,829,885
16 Direct cost		
Salaries and related benefits	**30,601,167**	28,380,758
Staff welfare expenses	**412,137**	306,677
Provision for gratuity	**1,007,357**	795,738
Direct expenses	**14,691,535**	351,266
Development expenses	**571,255**	11,480,103
	47,283,451	41,314,542
17 Other income		
Other income	**(60)**	(194)
	(60)	(194)
18 Administrative expenses		
Rent	**330,673**	266,120
Travelling and entertainment	**542,718**	680,507
Legal, visa and professional	**1,599,564**	1,532,473
Management Services	**38,525**	-
Utilities	**3,690**	11,750
Telephone and communications	**117,579**	101,417
Repairs & maintenance	**13,227**	68,692
Depreciation on property, plant and equipment (Note 4)	**7,591**	7,424
Bad debts directly written off	**6,500**	81,008
Insurance	**24,989**	22,351
Recruitment	**59,409**	7,438
Advertisement and marketing	**22,805**	166,941
Loss on disposal on property, plant and equipment (Note 4)	**2,849**	-
Exchange (gain) / loss	**36,631**	54,342
Miscellaneous	**45,830**	32,168
	2,852,580	3,032,631
19 Finance costs		
Bank and financial charges	**48,291**	64,165
Other borrowing costs	**249,730**	144,609
	298,021	208,774

20 Financial instruments

a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the financial statements.

20 Financial instruments (continued)

b) Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis

	As at March 31,		As at March 31,	
	2019	2018	**2019**	2018
Financial assets	Carrying amount		Fair value	
Accounts receivables	**10,805,730**	7,653,674	**10,805,730**	7,653,674
Other receivables	**7,398,586**	5,033,186	**7,398,586**	5,033,186
Due from related parties	**1,639,707**	291,601	**1,639,707**	291,601
Cash and bank balances	**3,320,372**	6,778,988	**3,320,372**	6,778,988
	23,164,395	19,757,449	**23,164,395**	19,757,449
Financial liabilities				
Term loans	**6,243,250**	6,243,250	**6,243,250**	6,243,250
Accounts and other payables	**2,336,794**	528,635	**2,336,794**	528,635
Due to related parties	**2,265,537**	5,497,161	**2,265,537**	5,497,161
	10,845,581	12,269,046	**10,845,581**	12,269,046

Financial instruments comprise of financial assets and financial liabilities.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties.

Financial assets consist of cash and bank balances, accounts receivables, due from related parties and certain other assets. Financial liabilities consist of accounts payables, accruals, due to related parties, term loans and certain other liabilities.

As at reporting date financial assets and financial liabilities are approximates their carrying values.

21 Financial risk management objectives

The Company management set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Company's policy guidelines are complied with.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

21 Financial risk management objectives (continued)

a) Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

There are no significant exchange rate risks, as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirham, other GCC currencies or US Dollar to which the Arab Emirates Dirham is fixed.

b) Interest rate risk management

As at the reporting date, there is no significant interest rate risk as there are no borrowings at year end.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

21 Financial risk management objectives (continued)

Liquidity and interest risk tables:

The table below summarises the maturity profile of the Company's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements were as follows:

	Interest bearing			Non Interest bearing			
Particulars	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**On demand or less than 3 months**	**Within 1 year**	**More than 1 year**	**Total**
				As at March 31, 2019			
Financial assets							
Accounts receivables	-	-	-	-	10,805,730	-	10,805,730
Other receivables	-	-	-	-	7,398,586	-	7,398,586
Due from related parties	-	-	-	-	1,639,707	-	1,639,707
Cash and bank balances	-	-	-	3,320,372	-	-	3,320,372
	-	-	-	3,320,372	19,844,023	-	23,164,395
Financial liabilities							
Term loan	-	-	6,243,250	-	-	-	6,243,250
Accounts and other payables	-	-	-	-	2,336,794	-	2,336,794
Due to related parties	-	-	-	-	2,265,537	-	2,265,537
	-	-	6,243,250	-	4,602,331	-	10,845,581
				As at March 31, 2018			
Financial assets							
Accounts receivables	-	-	-	-	7,653,674	-	7,653,674
Other receivables	-	-	-	-	5,033,186	-	5,033,186
Due from related parties	-	-	-	-	291,601	-	291,601
Cash and bank balances	-	-	-	6,778,988	-	-	6,778,988
	-	-	-	6,778,988	12,978,461	-	19,757,449
Financial liabilities							
Term loan	-	-	6,243,250	-	-	-	6,243,250
Accounts and other payables	-	-	-	-	528,635	-	528,635
Due to related parties	-	-	-	-	5,497,161	-	5,497,161
	-	-	6,243,250	-	6,025,796	-	12,269,046

d) Credit risk management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the Company maintains an allowance for doubtful debts based on expected collectability of all trade receivables.

Accounts receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risks on accounts and other receivables are disclosed in Note 6 to the financial statements.

21 Financial risk management objectives (continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risks.

22 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the stakeholders through the optimization of the equity balance. The Company's overall strategy remains unchanged from prior year.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as accounts and other payables, total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is equivalent to shareholder equity as shown in the statement of financial position.

22 Capital risk management (continued)

Gearing ratio

The gearing ratio at the year end was as follows:

	As at March 31,	
	2019	2018
Debt (i)	**6,243,250**	6,243,250
Cash and cash equivalents	**(3,320,372)**	(6,778,988)
Net debt	**2,922,878**	(535,738)
Equity (ii)	**8,710,664**	7,487,142
Net debt to equity ratio	**1:3**	0:1

i) Debt is defined as Term loan as detailed in Notes 11.
ii) Equity include all capital and retained earnings of the Company including shareholders' current accounts.

23 Contingent liabilities & capital commitments

Except for the ongoing business obligations which are under normal course of business, there has been no other known contingent liability or capital commitments on Company's financial statements as of reporting date.

24 Reclassification

During the year, the management have done certain reclassifications on the financial statements for better presentations and have no impact on the statement of profit or loss and other comprehensive income..