

BLS INTERNATIONAL FZE
Sharjah – United Arab Emirates
Consolidated Financial Statements and
Independent Auditors' Report
For the year ended March 31, 2016

BLS International FZE

Sharjah - United Arab Emirates

Consolidated Financial Statements and Independent Auditors' Report

For the year ended March 31, 2016

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Independent Auditors' Report

To

The Directors

BLS International FZE

Sharjah - United Arab Emirates

Report on the consolidated financial statements

We have audited the accompanying consolidated statement of financial position of **BLS International FZE and its subsidiaries** (the Group) as at March 31, 2016 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the applicable provisions of Free Zone Establishment implementing procedures pursuant to the Sharjah Emiri Decree and Federal Law No. 6 of 1995. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements 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 Group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.



BLS International FZE
Sharjah - United Arab Emirates

Independent Auditors' Report (continued)

Auditors' responsibility (continued)

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of **BLS International FZE and its subsidiaries** (the Group) as at March 31, 2016 and its consolidated financial performance, its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

1. The financial statements of the subsidiaries outside UAE have not been independently audited as at the year ended March 31, 2016 and these consolidated financial statements incorporate the unaudited financial statements provided by the management. We have not performed any additional procedures on the financial statements of these subsidiaries. As of March 31, 2016, the total net worth of these subsidiaries are AED 1,063,481/- and the net profits from operations are AED 206,823/-.
2. The commercial operations of the subsidiary, M/s. BLS International Services Australia PTY. LTD, have been suspended from the year ended March 31, 2015. The validity of going concern assumption is dependent upon the shareholder's decision to resume its operations in the coming years.
3. We draw your attention to Note – 23 to the financial statements related to re- statement of previous year financial statements as a result of prior period omissions and errors.

Report on other legal and regulatory requirements

Also, in our opinion, all necessary books and records were maintained in accordance with the provisions of Free Zone Establishment implementing procedures pursuant to the Sharjah Emiri Decree and Federal Law No. 6 of 1995. We have obtained all the information and explanations, which we considered necessary for our audit.

Dubai
May 26, 2016

Ref: HAMT/BSH/216/376



HLB Hamt

HLB Hamt
Chartered Accountants
[Reg. No. 654]

BLS International FZE
Sharjah – United Arab Emirates

Consolidated Statement of Financial Position as at March 31, 2016
(In Arab Emirates Dirhams)

	Note	2016	2015 (Re-stated)
Assets			
Non-current assets			
Property and equipment	5	6,241,486	4,727,571
Intangible assets	6	4,897,438	6,001,379
Available for sale financial assets	7	-	18,390
Total non-current assets		11,138,924	10,747,340
Current assets			
Accounts and other receivables - current portion	9	31,503,766	27,966,505
Other financial assets	10	258,000	288,000
Cash and cash equivalents	11	22,596,774	9,228,662
Total current assets		54,358,540	37,483,167
Total Assets		65,497,464	48,230,507
Equity and Liabilities			
Equity			
Share capital	1	25,000	25,000
Retained earnings		58,828,186	41,857,866
Foreign currency translation reserve		(855,831)	(315,505)
Total shareholder's equity		57,997,355	41,567,361
Non-controlling interest		56,468	49,101
Total Equity		58,053,823	41,616,462
Non – current liabilities			
Borrowings	12	1,612,750	-
Provision for employees' end of service indemnity	13	556,911	557,223
Total non-current liabilities		2,169,661	557,223
Current liabilities			
Accounts and other payables	14	5,273,980	6,056,822
Total current liabilities		5,273,980	6,056,822
Total Liabilities		7,443,641	6,614,045
Total Equity and Liabilities		65,497,464	48,230,507

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

The consolidated financial statements on pages 3 to 29 were approved by the management on May 25, 2016 and signed on its behalf by:

FOR 
 Chief Financial Officer





 Director

BLS International FZE
Sharjah – United Arab Emirates

Consolidated Statement of Comprehensive Income
For the year ended March 31, 2016
(In Arab Emirates Dirhams)

	Note	<u>Year ended March 31,</u> <u>2016</u>	<u>2015</u>
Service revenue	15	283,313,977	263,571,618
Direct expenses	16	(239,300,450)	(221,924,278)
Other income	17	46,235	29,954
General, selling and administrative expenses	18	(24,429,453)	(25,854,480)
Depreciation and amortization	20	(1,934,651)	(2,005,395)
Profit from operations		17,695,658	13,817,419
Finance cost	21	(27,971)	-
Profit for the year		<u>17,667,687</u>	<u>13,817,419</u>
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	22	(540,326)	(89,063)
Total comprehensive income for the year		<u>17,127,361</u>	<u>13,728,356</u>
Profit for the year attributable to:			
Equity holder		17,660,320	13,824,122
Non- controlling interest		<u>7,367</u>	(6,703)
		<u>17,667,687</u>	<u>13,817,419</u>
Total comprehensive income for the year attributable to:			
Equity holder		17,119,994	13,735,059
Non- controlling interest		<u>7,367</u>	(6,703)
		<u>17,127,361</u>	<u>13,728,356</u>

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



BLS International FZE
Sharjah – United Arab Emirates

Consolidated Statement of Changes in Equity
For the year ended March 31, 2016
(In Arab Emirates Dirhams)

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Foreign currency translation reserve</u>	<u>Shareholders' current account</u>	<u>Total shareholder's equity</u>	<u>Non-controlling interest</u>	<u>Total</u>
Balance at April 01, 2013	25,000	15,374,664	(73,699)	(106,888)	15,219,077	-	15,219,077
Capital introduced	-	-	-	-	-	4,582	4,582
Profit for the year	-	12,659,080	-	-	12,659,080	51,222	12,710,302
Movements in current account	-	-	-	120,639	120,639	-	120,639
Foreign currency translation	-	-	(152,743)	-	(152,743)	-	(152,743)
Prior period errors and omissions (Note 23)	-	-	-	(13,751)	(13,751)	-	(13,751)
Balance at April 01, 2014 (Re-stated)	25,000	28,033,744	(226,442)	-	27,832,302	55,804	27,888,106
Profit for the year	-	13,824,122	-	-	13,824,122	(6,703)	13,817,419
Foreign currency translation	-	-	(89,063)	-	(89,063)	-	(89,063)
Balance at March 31, 2015 (Re-stated)	25,000	41,857,866	(315,505)	-	41,567,361	49,101	41,616,462
Profit for the year	-	17,660,320	-	-	17,660,320	7,367	17,667,687
Dividend paid	-	(690,000)	-	-	(690,000)	-	(690,000)
Foreign currency translation	-	-	(540,326)	-	(540,326)	-	(540,326)
Balance at March 31, 2016	25,000	58,828,186	(855,831)	-	57,997,355	56,468	58,053,823

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



BLS International FZE
Sharjah – United Arab Emirates

Consolidated Statement of Cash Flows
For the year ended March 31, 2016
(In Arab Emirates Dirhams)

	Year ended March 31,	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Profit for the year	17,667,687	13,817,419
Adjustments for:	-	-
Depreciation	522,821	587,690
Amortization of intangible assets	1,411,830	1,417,705
Impairment on available for sale financial assets	18,390	-
Loss on disposal of property and equipment	-	15,460
Bad debts written off	1,544,742	-
Provision for employees' end of service indemnity	140,128	356,036
Operating cash flows before payment of employees' end of service benefits and changes in working capital	21,305,598	16,194,310
Working capital changes		
Accounts and other receivables	(5,082,003)	2,726,808
Accounts and other payables	(782,842)	2,467,250
Net cash generated from operating activities before payment of employees' end of service benefits	15,440,753	21,388,368
Payment of employees' end of service benefits	(140,440)	(91,631)
Net cash generated from operating activities	<u>15,300,313</u>	<u>21,296,737</u>
Cash flows from investing activities		
Additions to property and equipment	(2,181,425)	(221,351)
Disposal of property and equipment	-	65,946
Effect of exchange rate differences	115,721	83,450
Additions to intangible assets	(278,921)	(298,986)
Disposal of intangible assets	-	21,088
Movements in other financial assets	30,000	54,000
Net cash used in investing activities	<u>(2,314,625)</u>	<u>(295,853)</u>
Cash flows from financing activities		
Accounts and other receivables – non-current portion	-	(16,340,420)
Movements in borrowings	1,612,750	-
Dividend	(690,000)	-
Foreign currency translation reserve	(540,326)	(89,063)
Net cash generated from/(used in) financing activities	<u>382,424</u>	<u>(16,429,483)</u>
Net increase in cash and cash equivalents	13,368,112	4,571,401
Cash and cash equivalents at the beginning of the year	<u>9,228,662</u>	<u>4,657,261</u>
Cash and cash equivalents at the end of the year	<u>22,596,774</u>	<u>9,228,662</u>

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



BLS International FZE
Sharjah – United Arab Emirates

Notes to the Consolidated Financial Statements
For the year ended March 31, 2016

1. Establishment and operations

BLS International FZE (the Parent Establishment) was incorporated and registered with Hamriyah Free Zone Authority, Sharjah – UAE, under License No. 8283.

The share capital of the Establishment is AED 25,000/- divided into 1 share of AED 25,000 held in the name of M/s. BLS International Services Limited, India (the ultimate parent company).

The Establishment has registered office at P.O. Box 52101, Hamriyah Free Zone, Sharjah - United Arab Emirates.

The principal activity of the Establishment is providing management consultancy services.

BLS International FZE (the Group) consist of the following subsidiaries;

<u>Name of Subsidiaries</u>	<u>Legal status</u>	<u>Location</u>	<u>Percentage of Holding</u>	<u>Principal Activities</u>
BLS International Services*	Establishment	UAE	100%	Provide services related to visa and passport processing with Indian Embassy / Consulate.
BLS International Services Australia PTY. LTD	Proprietary Company	Australia	100%	Providing visa services to Danish Embassy.
BLS International Services Norway AS.	Limited Liability Company	Norway	75%	To serve Indian Embassy in Norway & facilitate in Embassy support services
BLS International Services Singapore PTE. LTD.	Limited Liability Company	Singapore	100%	Travel agency and tour operators (mainly outbound)
BLS International Services Canada INC.	Company	Canada	100%	Provide services related to visa and passport processing with Indian Embassy / Consulate.
BLS International Services Malaysia SDN BHD	Company	Malaysia	100%	Provides services related to passport and consular processing with Indian Embassy/Consulate.

*The subsidiary maintains eight additional licenses (three establishments and five branches in U.A.E), for regulating the principal activities of the Establishment.

The 100% beneficial ownership of these subsidiaries is vested with the Parent, except BLS International Services Norway AS., Norway.

2. Adoption of new and revised International Financial Reporting Standards and Interpretations

2.1 Standards and interpretations effective in the current year

The Group has adopted the following new and amended IFRS's in these financial statements.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2016

2. Adoption of new and revised International Financial Reporting Standards and Interpretations
(continued)

(a) Amendments to IAS 19- Defined Benefit Plans: Employee Contributions:

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since it does not have defined benefit plans with contributions from employees or third parties.

(b) Annual Improvements Cycle - 2010-2012

With the exception of the improvement relating to IFRS 2 *Share-based Payment* applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The Group had not granted any share-based payments 2014 and 2015. Hence these amendments did not impact the Group's financial statements.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. The Group had no business combinations, and hence the amendment did not impact the Group's financial statements.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregate and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2016

2. Adoption of new and revised International Financial Reporting Standards and Interpretations (continued)

(b) Annual Improvements Cycle - 2010-2012 (continued)

The Group is not required to apply IFRS 8 as it does not have any debt or equity instruments that are traded in a public market.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The Group has not revalued any assets during the year, and hence the amendment did not impact the financial statements.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

(c) Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
 - This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

The Group is not a joint arrangement, and thus this amendment is not relevant for the Group.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception in IFRS 13.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2016

2. Adoption of new and revised International Financial Reporting Standards and Interpretations
(continued)

c) Annual Improvements 2011-2013 Cycle (continued)

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. The Group had no business combinations, and hence the amendment did not impact the Group's financial statements.

2.2. New and revised International Financial Reporting Standards in issue but not effective and not adopted earlier

The following standards, amendments thereto and interpretations have been issued prior to March 31, 2016 but have not been applied in these consolidated financial statements as their effective dates of adoption are for future periods. The impact of the adoption of the below standards is currently being assessed by the management. It is anticipated that their adoption in the relevant accounting periods will have impact only on disclosures within the consolidated financial statements.

New and revised IFRS

Effective
for annual periods
beginning on or after

IFRS 14 Regulatory Deferral Accounts

1 January 2016

Amendments to IFRS 11- Accounting for Acquisitions of Interests in

1 January 2016

Joint Operations

1 January 2016

Amendments to IAS 16 and IAS 38- Clarification of Acceptable

Methods of Depreciation and Amortization

1 January 2016

Amendments to IAS 27: Equity Method in Separate Financial

Statements

1 January 2016

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets

between an Investor and its Associate or Joint Venture

1 January 2016

Amendments to IAS 1 Disclosure Initiative

1 January 2016

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities:

Applying the Consolidation Exception

1 January 2016

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

1 January 2016

Annual Improvements 2012-2014 Cycle

1 January 2018

IFRS 15 Revenue From Contracts With Customers

1 January 2018

IFRS 9 Financial Instruments (Replacement of IAS 39)



3 Basis of presentation and significant accounting policies

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and the provisions of Free Zone Establishment implementing procedures pursuant to the Sharjah Emiri Decree and Federal Law No. 6 of 1995.

3.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3.3 Functional and presentation currency

The consolidated financial statements are prepared and the items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in UAE Dirhams (AED), which is the Group's functional and presentation currency.

3.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of **BLS International FZE and its subsidiaries** (Note - 1) for the year ended March 31, 2016. These financial statements have been consolidated because they fall under the same beneficial ownership.

3.4.1 Subsidiaries

Subsidiaries are all the entities over which the Parent has control. The Parent controls an entity when the Parent is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent. They are de-consolidated from the date as which the control ceases.

3.4.2 Eliminations on consolidation

Inter-entity transactions, balances, income and expenses from transactions between, entities are eliminated. Profits and losses resulting from inter-entity transactions that are recognized in the assets are also eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



3. Basis of presentation and significant accounting policies (continued)

3.5 Revenue recognition

Revenue is recognized in the consolidated statement of comprehensive income at the fair value of the consideration received or receivable, provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably:

3.5.1 Revenue from services

The Group manages the administrative function of the visa and passport applications process of Embassy of India and Consulate General of India based on a service agreement except for BLS International Services, Australia PTY. Ltd., which manages the administrative function of visa services to Denmark. Revenue comprises of the value of services provided mainly from renewal of passports, processing of visa application and other value added services including courier and SMS services and recognized upon invoicing to the customers. Revenue has been based on the gross invoices made during the year.

3.6 Provision for employees' end of service indemnity

Estimated amounts required to cover employees' end of service indemnity at the date of statement of financial position are computed pursuant to the Local Labour Laws based on the employees' accumulated period of service and current remuneration at the date of consolidated statement of financial position.

The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

3.7 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortization is charged on a straight-line basis over their estimated useful lives. The amortization method and estimated useful lives are reviewed at the end of each annual reporting year, with effect of any changes in estimate being accounted for on a prospective basis. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.



3. Basis of presentation and significant accounting policies (continued)

3.7 Intangible assets (continued)

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is derecognized.

3.7.1 Software

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

These costs are amortized on a straight-line basis over their estimated useful lives which are normally a period of 3 to 6 years.

3.8 Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and any identified impairment loss.

Property and equipment are depreciated using straight-line method over the expected useful lives of the assets as under:

Building	32 years
Leasehold improvements	10 years
Furniture and fixtures	15-16 years
Office equipment	20-22 years
Vehicles	10 years

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from these assets and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Maintenance and repairs are charged to expenses as incurred and renewals and improvements, which extend the life of the assets, are capitalized and depreciated over the remaining life of the assets.

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



3. Basis of presentation and significant accounting policies (continued)

3.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial 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 Group 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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. Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statement of comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2016

3. Basis of presentation and significant accounting policies (continued)

3.10 Foreign currencies

3.10.1 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are recognized in the consolidated statement of comprehensive income. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.10.2 Group companies

On consolidation, the assets and liabilities of foreign operations are translated into the functional currency at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in consolidated statement of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

3.11 Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.11.1 Operating lease

a) The Group as lessee

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

Benefits received or receivable as an incentive to enter in to the operating lease are also spread on a straight line basis over the lease term.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2016

3. Basis of presentation and significant accounting policies (continued)

3.12 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3.12.1 Financial assets

The Group's financial assets include cash and bank balances referred as 'cash and cash equivalents' and other financial assets, due from related parties, accounts and other receivables (excluding prepayments and advances) that are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

a) Cash and cash equivalents

Cash and cash equivalents comprises cash in 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.

b) Loans and receivables

Loans and receivables that have fixed or determinable payments are initially measured at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.12.2 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, (a 'loss event'), the estimated future cash flows of the financial asset have been affected and the impact can be reliably estimated.



3. Basis of presentation and significant accounting policies (continued)

3.12 Financial instruments (continued)

3.12.2 Impairment of financial assets (continued)

a) Financial assets carried at amortized cost

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For certain categories of financial assets, such as accounts receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account.

When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of comprehensive income.

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 recognized, the previously recognized impairment loss is reversed through the consolidated statement of comprehensive income to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Impairment losses recognized for financial assets carried at cost are not reversed.

3.12.3 De-recognition of financial assets

The Group derecognizes 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

3.12.4 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities measured at amortized cost using the effective interest method.

3. Basis of presentation and significant accounting policies (continued)

3.12 Financial instruments (continued)

3.12.4. Financial liabilities (continued)

The Group's financial liabilities include accounts and other payables, due to related parties and borrowings classified as 'other financial liabilities'.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

a) Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using effective interest method except for short term payable where the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

3.12.5 De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

3.12.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.13 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
- Cash or cash equivalents 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.



3. Basis of presentation and significant accounting policies (continued)

3.13 Current and non-current classification (continued)

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

4. Critical accounting judgments and key sources of estimation uncertainty

4.1. Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note-3 to the financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt with below).

4.1.1. Contingencies

Contingent assets and liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an inflow or outflow respectively of resources embodying economic benefits is remote.

4.1.2. Classification of leases

Accounting for lease arrangements first involves making a determination, at inception of a lease arrangement, whether a lease is classified an operating lease or a finance lease. The Group has entered into leases over properties. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the assets and the present value of the minimum lease payments not amounting to substantially all of the fair value of the assets, that it retains all the significant risks and rewards of ownership of these assets and hence accounts for these as operating leases.

4.1.3. Provision for employees' end of service indemnity

Provision for employees' end of service indemnity is grouped as a non-current liability on the judgment that the employees of the Group will be continued in the future periods irrespective of their visa expiry date and other employment terms and conditions.

4.1.4. Impairment of non-financial assets

Impairment is measured by comparing the carrying value of an asset or cash generating unit to its recoverable amount. Recoverable amount is defined as the higher of its fair value less costs to sell and its 'value in use'. These comparisons require subjective judgments and estimates to be made by management.

4. Critical accounting judgments and key sources of estimation uncertainty

4.1. Critical judgments in applying the Group's accounting policies (continued)

4.1.4 Impairment of non-financial assets (continued)

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model and requires an estimation of the expected future cash flows from the asset (or of the cash-generating unit) in the forecasted period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The discount rate reflects current market assessments of the time value of money and the risks specific to the asset.

4.2 Key sources of estimation uncertainty

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

4.2.1 Intangible assets

Intangible assets are amortized over its estimated useful life, which is based on expected pattern of consumption of the future economic benefits embodied in the assets.

4.2.2 Property and equipment

Property and equipment are 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.

4.2.3 Impairment of available-for-sale financial assets

Management regularly reviews indicators of impairment for available-for-sale financial assets and considers whether there has been a significant or prolonged decline in their fair value below cost. This determination of what is significant or prolonged decline requires judgment. In making this judgment and to decide if any impairment loss adjustment is necessary, the Management evaluates among other factors, the normal volatility in share price, the financial health of the investee, industry and sector performance, changes in technology and operational and financial cash flows and pay out dividend capability of the investee.



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5. Property and equipment

	<u>Leasehold Improvements</u> <u>AED</u>	<u>Building</u> <u>AED</u>	<u>Furniture and fixtures</u> <u>AED</u>	<u>Office equipment</u> <u>AED</u>	<u>Vehicles</u> <u>AED</u>	<u>Total</u> <u>AED</u>
<i>Cost</i>						
As at March 31, 2014	35,000	-	2,560,088	3,283,389	325,963	6,204,440
Additions	27,500	-	64,589	76,529	52,733	221,351
Disposal	(35,000)	-	-	(16,785)	(46,900)	(98,685)
Effect of exchange rate differences	-	-	(59,793)	(9,611)	(2,869)	(72,273)
As at March 31, 2015	27,500	-	2,564,884	3,333,522	328,927	6,254,833
Additions	-	2,093,471	73,525	14,429	-	2,181,425
Effect of exchange rate differences	-	-	23,362	(89,492)	(5,981)	(72,111)
As at March 31, 2016	27,500	2,093,471	2,661,771	3,258,459	322,946	8,364,147
<i>Accumulated depreciation</i>						
As at March 31, 2014	-	-	349,174	580,673	43,293	973,140
For the year	2,807	-	165,765	387,531	31,587	587,690
On disposal	-	-	-	(1,959)	(15,320)	(17,279)
Effect of exchange rate differences	-	-	(2,244)	(13,532)	(513)	(16,289)
As at March 31, 2015	2,807	-	512,695	952,713	59,047	1,527,262
For the year	6,893	39,916	157,424	292,305	26,283	522,821
Effect of exchange rate differences	-	-	170	68,715	3,693	72,578
As at March 31, 2016	9,700	39,916	670,289	1,313,733	89,023	2,122,661
<i>Carrying amount:</i>						
As at March 31, 2016	17,800	2,053,555	1,991,482	1,944,726	233,923	6,241,486
As at March 31, 2015	24,693	-	2,052,189	2,380,809	269,880	4,727,571



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6. Intangible assets

	<u>Software</u> <u>AED</u>
Cost	
At March 31, 2014	8,608,493
Additions	298,986
Disposal	(34,509)
Effect of exchange rate differences	(40,059)
At March 31, 2015	8,832,911
Additions	278,921
Effect of exchange rate differences	17,572
At March 31, 2016	<u>9,129,404</u>
Amortization	
At March 31, 2014	1,439,841
For the year	1,417,705
On disposal	(13,421)
Effect of exchange rate differences	(12,593)
At March 31, 2015	2,831,532
For the year	1,411,830
Effect of exchange rate differences	(11,396)
At March 31, 2016	<u>4,231,966</u>
Carrying amount of intangible assets	
At March 31, 2016	<u>4,897,438</u>
At March 31, 2015	<u>6,001,379</u>

7. Available for sale financial assets

	<u>2016</u> <u>AED</u>	<u>March 31,</u> <u>2015</u> <u>AED</u>
<u>Unquoted</u>		
Balance at the beginning of the year	18,390	18,390
Impairment during the year	<u>(18,390)</u>	-
	<u>-</u>	<u>18,390</u>

Available for sale financial assets represent 1,000 shares of M/s. BLS Service Korea Co., Ltd, South Korea which is unquoted.

8. Related party transactions

	<u>2016</u> <u>AED</u>	<u>March 31,</u> <u>2015</u> <u>AED</u>
<i>Due from related parties: *</i>	<u>23,900,175</u>	<u>21,974,728</u>



Notes to the Consolidated Financial Statements (continued)
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8. Related party transactions (continued)

	<u>2016</u>	<u>March 31,</u>
	<u>AED</u>	<u>2015</u>
		<u>AED</u>
<i>Presented in the statement of financial position as follows:</i>		
Accounts and other receivables (Note – 9)	<u>23,900,175</u>	<u>21,974,728</u>
<i>Due to related parties:</i>	<u>65,079</u>	<u>-</u>
<i>Presented in the statement of financial position as follows:</i>		
Accounts and other payables (Note – 14)	<u>65,079</u>	<u>-</u>

*This includes amount given to a related party for purchase of land in Jumeirah Village amounting to AED 16,340,240.

The Group enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standards 24. Related parties comprise entities under common ownership and / or common management and control and key management personnel. The shareholder and the management decide on the terms and conditions of the transactions and services received/ rendered from/to related parties as well as on other charges.

During the year, the Group entered into the following transactions with related parties.

	<u>Year ended March 31,</u>	<u>2015</u>
	<u>2016</u>	<u>AED</u>
	<u>AED</u>	<u>AED</u>
<i>With entities under common management and control:</i>		
Service charges (income)	351,105	77,184
Consultancy expenses	<u>4,853,472</u>	<u>2,622,041</u>

9. Accounts and other receivables

	<u>2016</u>	<u>March 31,</u>
	<u>AED</u>	<u>2015</u>
		<u>AED</u>
Receivable from customers	519,401	2,463,293
Due from related parties (Note - 8)	23,900,175	21,974,728
Prepayments	613,076	1,344,672
Deposits	2,223,142	1,033,935
Advance to suppliers	1,730,841	808,727
Others	<u>2,517,131</u>	<u>341,150</u>
	<u>31,503,766</u>	<u>27,966,505</u>

*Others include an amount of AED 2,114,117/- which was extended to Mr. Amarbir Singh as a short term advance.



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9. Accounts and other receivables (continued)

Age-wise analysis of accounts receivables:

	<u>2016</u> <u>AED</u>	<u>March 31,</u> <u>2015</u> <u>AED</u>
Not past due	245,944	-
Past due but not impaired:		
<i>Less than 180 days</i>	11,531	873,793
<i>More than 180 days</i>	<u>261,926</u>	<u>1,589,500</u>
	<u>519,401</u>	<u>2,463,293</u>

The average credit period is 90 days. No interest is being charged on accounts receivable.

Allowances for doubtful debts are recognized against accounts receivable above 360 days based on estimated irrecoverable amounts determined with reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Accounts receivable disclosed above include amounts (see above for aged analysis) that are past due at the end of the reporting year for which the Group has not recognized the allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

10. Other financial assets

	<u>2016</u> <u>AED</u>	<u>March 31,</u> <u>2015</u> <u>AED</u>
Margin deposits	<u>258,000</u>	<u>288,000</u>

11. Cash and cash equivalents

	<u>2016</u> <u>AED</u>	<u>March 31,</u> <u>2015</u> <u>AED</u>
Cash in hand*	573,579	1,796,833
Bank balance:		
In current accounts	<u>22,023,195</u>	<u>7,431,829</u>
	<u>22,596,774</u>	<u>9,228,662</u>

* Cash in hand includes amount in transit of AED 274,220/-.

12. Borrowings

	<u>2016</u> <u>AED</u>	<u>March 31,</u> <u>2015</u> <u>AED</u>
Secured loan	1,278,515	
Unsecured loans	<u>334,235</u>	-
	<u>1,612,750</u>	-



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For the year ended March 31, 2016

13. Provision for employees' end of service indemnity

	March 31,	
	2016	2015
	AED	AED
Opening balance	557,223	292,818
Charge for the year	140,128	356,036
Payments during the year	(140,440)	(91,631)
	<u>556,911</u>	<u>557,223</u>

14. Accounts and other payables (Re- stated)

	March 31,	
	2016	2015
	AED	AED
Payable to suppliers	3,625,921	4,365,686
Due to related party (Note 8)	<u>65,079</u>	<u>-</u>
	3,691,000	4,365,686
Staff payables	841,749	748,344
Accruals	724,564	283,625
Others	<u>16,667</u>	<u>659,167</u>
	<u>5,273,980</u>	<u>6,056,822</u>

15. Service revenue

	Year ended March 31,	
	2016	2015
	AED	AED
Service charges*	276,719,805	237,175,341
Others	<u>6,594,172</u>	<u>26,396,277</u>
	<u>283,313,977</u>	<u>263,571,618</u>

*Services charges represent gross invoicing made to the customers for visa and passport processing services.

16. Direct expenses

	Year ended March 31,	
	2016	2015
	AED	AED
Visa and passport processing charges	233,137,231	211,678,052
Others	<u>6,163,219</u>	<u>10,246,226</u>
	<u>239,300,450</u>	<u>221,924,278</u>

17. Other income

	Year ended March 31,	
	2016	2015
	AED	AED
Miscellaneous	<u>46,235</u>	<u>29,954</u>



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2016

18. General, selling and administrative expenses

	Year ended March 31,	
	<u>2016</u>	<u>2015</u>
	<u>AED</u>	<u>AED</u>
Staff cost (Note - 19)	15,135,902	18,357,414
Directors fee	95,389	-
Rent	3,179,287	3,373,328
Legal, license and professional	925,549	1,017,138
Communications	571,832	658,311
Office maintenance	599,613	1,130,244
Bad debts written off	1,544,742	-
Electricity and water	164,999	8,894
Business promotions	71,081	48,689
Commission paid	387,436	-
Vehicle maintenance	49,758	8,826
Printing and stationery	212,956	49,949
Travelling	257,112	359,086
Insurance	58,173	47,025
Bank charges	364,580	376,721
Preoperative expense	294,656	-
Loss on disposal of property and equipment	-	15,460
Impairment on available for sale financial assets	18,390	-
Exchange rate loss	61,205	171,371
Others	436,793	232,024
	<u>24,429,453</u>	<u>25,854,480</u>

19. Staff cost

	Year ended March 31,	
	<u>2016</u>	<u>2015</u>
	<u>AED</u>	<u>AED</u>
Salaries and allowances	14,069,039	17,808,396
Staff benefits	650,487	472,217
Others	416,376	76,801
	<u>15,135,902</u>	<u>18,357,414</u>

20. Depreciation and amortization

	Year ended March 31,	
	<u>2016</u>	<u>2015</u>
	<u>AED</u>	<u>AED</u>
Depreciation (Note - 5)	522,821	587,690
Amortization (Note - 6)	1,411,830	1,417,705
	<u>1,934,651</u>	<u>2,005,395</u>



Notes to the Consolidated Financial Statements (continued)
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21. Finance cost

	Year ended March 31,	
	2016	2015
	AED	AED
Interest paid	<u>27,971</u>	<u>-</u>

22. Exchange differences on translating foreign operations

This amount represents the exchange loss on account of translating the financial statements of foreign subsidiaries to the reporting currency of the Parent Establishment.

23. Correction of prior period errors and omissions

The Group has wrongly classified other payables as balance due from shareholders under equity. The net equity of the company as of 31st March 2015 has been overstated by AED 659,167/- and accounts payable was understated by this amount. Profits for the previous years remain unaffected.

24. Contingent liability

	March 31,	
	2016	2015
	AED	AED
Labour guarantee	<u>258,000</u>	<u>288,000</u>
Labour guarantee represents the guarantee issued to Ministry of Labour for getting U.A.E work permit.		

25. Operating lease arrangements

At the date of consolidated statement of financial position, the Group had outstanding commitments under non-cancelable operating leases, which fall due as follows:

	March 31,	
	2016	2015
	AED	AED
Within one year	1,027,308	1,885,554
More than one year	<u>148,458</u>	<u>209,440</u>

26. Financial instruments and risk management

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note-3 to the consolidated financial statements.

Categories of financial instruments

	March 31,	
	2016	2015
	AED	AED
Financial assets		
Cash and cash equivalents	22,596,774	9,228,662
Loans and receivables (less: prepayments and advances)	29,417,849	26,101,106
Available for sale financial assets	-	18,390
	<u>52,014,623</u>	<u>35,348,158</u>
Financial liabilities		
Other financial liabilities	<u>6,886,730</u>	<u>6,056,822</u>



26. Financial instruments and risk management (continued)

26.1 Capital risk management

The capital is being managed by the Group in such a way that it is able to continue as a going concern while maximizing returns to investor. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of equity of the Group comprising of share capital, retained earnings and shareholder's current account.

As risk management policy, the Group reviews its cost of capital and risks associated with each class of capital. The Group balances its capital structure based on the above review.

26.2 Credit risk management

Credit risk in relation to the Group refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Key areas where the Group is exposed to credit risk are accounts and other receivables, bank balances and other financial assets (liquid assets).

The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties.

Management believes that the concentration of credit risk is mitigated by high credit worthiness and financial stability of its customers.

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE and are highly regulated by the Central Bank.

Accounts receivables, balances with banks and other financial assets are not secured by any collateral. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

26.3 Currency risk exposure

The Group's currency risk exposure relates to the exposure to the fluctuations in the foreign currency rates.

There is no significant impact on USD as the UAE Dirham is pegged to the USD.

26.4 Liquidity risk management

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. The Group manages the liquidity risk through risk management framework for the Group's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves and sufficient cash and cash equivalent to ensure funds are available to meet its commitments for liabilities as they fall due.



Notes to the Consolidated Financial Statements (continued)
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26. Financial instruments and risk management (continued)

26.4 Liquidity risk management (continued)

The table below analyses the Group's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	<u>Less than one year</u> <u>AED</u>	<u>More than one year</u> <u>AED</u>	<u>Total</u> <u>AED</u>
<i>As at March 31, 2016</i>			
Other financial liabilities	<u>5,273,980</u>	<u>1,612,750</u>	<u>6,886,730</u>
<i>As at March 31, 2015</i>			
Other financial liabilities	<u>6,056,822</u>	<u>-</u>	<u>6,056,822</u>

27. Segment information

Operating segment:

The Group is operating in three segments: providing services related to visa and passport processing with Indian Embassy / Consulate and running travel agency, tour operations (mainly outbound) and management consultancy services.

Geographical segment:

The Group is operating in three geographical segments: Middle East, Asia Pacific and Europe.

<u>Segment</u>	<u>Revenue</u> <u>March 31,</u> <u>2016</u> <u>AED</u>	<u>2015</u> <u>AED</u>
Middle East	153,748,981	157,346,956
Asia Pacific	125,987,143	100,413,668
Europe	<u>3,577,853</u>	<u>5,810,994</u>
	<u>283,313,977</u>	<u>263,571,618</u>

28. Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

29. Comparative figures

Certain amounts for the prior year were reclassified to conform to current year presentation.

