

**BLS INTERNATIONAL FZE
AND ITS SUBSIDIARIES**

Sharjah - United Arab Emirates

Consolidated Financial Statements and
Independent Auditors' Report
For the year ended March 31, 2020

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

**Consolidated Financial Statements and Independent Auditors' Report
For the year ended March 31, 2020**

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Independent Auditors' Report

To

**The Shareholder of BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of BLS International FZE (the Parent) and its subsidiaries (together, the Group), which comprise the consolidated statement of financial position as at March 31, 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2020, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in United Arab Emirates 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.

Emphasis of Matter

We have performed audit only on the financial statements of the parent company and the subsidiary located in UAE and have not performed any audit procedures on the subsidiaries located outside UAE due to the limitation of scope. As of March 31, 2020, the total net worth of the subsidiaries outside UAE is AED 18,245,864/- and the net loss from operations is AED 16,113,778/- as per the financial statements prepared by the management.

Independent Auditors' Report (continued)

Responsibilities of Management and Those Charged with Governance 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 requirements of Implementing Regulations of Free Trade Zone pursuant to the Emiri Decree No. 6 of 1995, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
- We are responsible for the direction, supervision and performance of the Group audit and remain solely responsible for our audit opinion.

We communicate with those charged 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further, we report that:

- (i) We have obtained all the information we considered necessary for the purpose of our audit.
- (ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Implementing Regulations of Free Trade Zone pursuant to the Emiri Decree No. 6 of 1995.
- (iii) The Group maintained proper books of accounts.

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

- (iv) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened, during the financial year ended March 31, 2020, any of the requirements of Implementing Regulations of Free Trade Zone pursuant to the Emiri Decree No. 6 of 1995, which would materially affect its activities or its financial position as at March 31, 2020.

Dubai
June 20, 2020

Ref: BCH/HAMT/2020/765



**For HLB HAMT
Chartered Accountants**
Signed by Vijay Anand
Partner
[Reg. No. 654]

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Financial Position
As at March 31, 2020
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Assets			
Non-current assets			
Property, plant and equipment	5	8,967,312	10,966,222
Intangible assets	6	4,881,753	10,962,241
Investment in associates	7	13,607,933	13,606,198
Total non-current assets		27,456,998	35,534,661
Current assets			
Accounts and other receivables	9	38,689,255	51,407,649
Deferred tax asset		2,600,185	-
Other financial assets	10	98,814,051	49,477,346
Cash and cash equivalents	11	6,635,800	28,540,689
Total current assets		146,739,291	129,425,684
Total Assets		174,196,289	164,960,345
Equity and Liabilities			
Equity			
Share capital	1	25,000	25,000
Foreign currency translation reserve	12	(301,544)	(465,962)
Share repurchase reserve		(63,613)	(4,205)
Retained earnings		163,685,600	149,500,146
Total shareholder's equity		163,345,443	149,054,979
Non-controlling interest		(29,552)	(5,970)
Total Equity		163,315,891	149,049,009
Non-current liability			
Provision for employees' end of service indemnity	13	944,540	780,565
Total non-current liability		944,540	780,565
Current liabilities			
Accounts and other payables	14	9,935,858	15,130,771
Total current liabilities		9,935,858	15,130,771
Total Liabilities		10,880,398	15,911,336
Total Equity and Liabilities		174,196,289	164,960,345

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

The consolidated financial statements on pages 5 - 50 were approved by the management on June 19, 2020 and signed on its behalf by:



 Chief Financial Officer



 Director



BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Comprehensive Income
For the year ended March 31, 2020
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Service revenue	15	358,790,901	361,770,166
Direct expenses	16	(271,742,060)	(271,043,671)
Other income	17	1,951,828	2,226,481
General, selling and administrative expenses	18	(51,473,791)	(49,555,385)
Depreciation and amortization	20	(5,232,387)	(5,076,956)
Abnormal onetime expenses		(14,692,504)	-
Withholding tax deducted		(269,792)	(1,345,359)
Profit/(loss) from operations		17,332,195	36,975,276
Finance income	21	2,262,643	1,096,669
Loss on business acquisition	22.2	(170,091)	-
Gain on business acquisition	22.2	-	70,756
Profit/(loss) before income tax		19,424,747	38,142,701
Income tax		15,033	(146,736)
Deferred tax		2,788,808	(10,450)
Profit/(loss) for the year		22,228,588	37,985,515
Attributable to:			
Equity holder		22,252,170	38,033,449
Non-controlling interest		(23,582)	(47,934)
		22,228,588	37,985,515
Other comprehensive income/(loss):			
Items not to be reclassified subsequently to profit or loss:			
Actuarial loss on employees' end of service benefits (Note 13)		-	(4,572)
Other comprehensive income/(loss) not to be reclassified to profit/loss		-	(4,572)
Items to be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		164,418	238,063
Other comprehensive income/(loss) for the year		164,418	238,063
Total comprehensive income/(loss) for the year		22,393,006	38,219,006
Attributable to:			
Equity holder		22,416,588	38,274,225
Non- controlling interest		(23,582)	(55,219)
Total comprehensive income/(loss) for the year		22,393,006	38,219,006

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



BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Changes in Equity
For the year ended March 31, 2020
(In Arab Emirates Dirhams)

	Share capital	Foreign currency translation reserve	Other reserve	Retained earnings	Total shareholder's equity	Non-controlling interest	Total
Balance as at March 31, 2018	25,000	(710,943)	-	114,232,843	113,546,900	49,249	113,596,149
Total comprehensive income/(loss) for the year	-	-	-	38,033,449	38,033,449	(47,934)	37,985,515
Actuarial loss on employees' end of service benefits	-	-	(4,205)	-	(4,205)	(367)	(4,572)
Foreign currency translation	-	244,981	-	-	244,981	(6,918)	238,063
Dividend paid	-	-	-	(2,766,146)	(2,766,146)	-	(2,766,146)
Balance as at March 31, 2019	25,000	(465,962)	(4,205)	149,500,146	149,054,979	(5,970)	149,049,009
Total comprehensive income/(loss) for the year	-	-	-	22,252,170	22,252,170	(23,582)	22,228,588
Foreign currency translation	-	164,418	(59,408)	-	105,010	-	105,010
Dividend paid	-	-	-	(8,066,716)	(8,066,716)	-	(8,066,716)
Balance as at March 31, 2020	25,000	(301,544)	(63,613)	163,685,600	163,345,443	(29,552)	163,315,891

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

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BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Cash Flows
For the year ended March 31, 2020
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities			
Profit/(loss) for the year		22,228,588	37,985,515
Adjustments for:			
Depreciation and amortization	20	5,232,387	5,076,956
(Loss)/gain on disposal of property, plant and equipment		24,522	(591,135)
Advance written off	18	1,230,821	111,743
Finance income	21	(2,262,643)	(1,096,669)
Loss allowance on receivables	18	1,117,523	2,831,198
Excess provision written back	17	(659,967)	-
Provision for employees' end of service indemnity	13	320,571	305,894
Operating cash flows before payment of employees' end of service indemnity and changes in working capital		27,231,802	44,623,502
Working capital changes:			
Accounts and other receivables	9	10,370,050	(18,749,234)
Deferred tax asset		(2,600,185)	-
Accounts and other payables	14	(4,534,946)	5,738,630
Cash generated from/(used in) operating activities before payment of employees' end of service indemnity		30,466,721	31,612,898
Payment of employees' end of service indemnity	13	(156,596)	(113,122)
Net cash generated from/(used in) operating activities		30,310,125	31,499,776
Cash flows from investing activities			
Movements in other financial assets	10	(49,336,705)	(33,943,471)
Additions to property, plant and equipment	5	(682,459)	(5,657,719)
Additions to intangible assets	6	(3,162,946)	(9,695,332)
Business acquisition (property and equipment and intangible assets)	5&6	(105,651)	(148,450)
Disposals of property, plant and equipment		1,376,503	2,521,141
Disposal of intangible assets		5,328,175	-
Movements in investment in associate	7	(1,735)	-
Finance income	21	2,262,643	1,096,669
Net cash generated from/(used in) investing activities		(44,322,175)	(45,827,162)
Cash flows from financing activities			
Dividend paid		(8,066,716)	(2,766,146)
Net cash generated from/(used in) financing activities		(8,066,716)	(2,766,146)
Net increase/(decrease) in cash and cash equivalents		(22,078,766)	(17,093,532)
Cash and cash equivalents at the beginning of the year		28,540,689	45,282,061
Effect of exchange rate changes		173,877	352,160
Cash and cash equivalents at the end of the year	11	6,635,800	28,540,689

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



BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements
For the year ended March 31, 2020

1. Establishment and operations

BLS International FZE (the Parent Establishment) was incorporated and registered with the Hamriyah Free Zone Authority, Sharjah - United Arab Emirates on September 07, 2011, as a Free Zone Establishment, under License No. 8283.

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

The address of the registered office of the Establishment is ELOB office No. E2-123F-45, P.O. Box 52101, Hamriyah Free Zone, Sharjah - United Arab Emirates.

The principal activity of the Establishment is providing management consultancy services. The Group is mainly providing Visa, Passport renewal and other documentation services to Indian and Spanish embassies in various countries.

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

<u>Name of Subsidiaries</u>	<u>Legal status</u>	<u>Location</u>	<u>Beneficial Ownership</u>	<u>Principal Activities</u>
BLS International Services*	Establishment	U.A.E	100%	Provide services related to visa and passport processing with Indian Embassy/ Consulate/ Spain MOFA.
BLS International Services Norway AS.	Limited Liability Company	Norway	75%	To serve Indian Embassy in Norway and facilitate in Embassy support services.
BLS International Services Singapore PTE. LTD.	Limited Liability Company	Singapore	100%	Provides services related to passport and visa processing with Indian Embassy/ Consulate/ Spain MOFA.
BLS International Services Canada INC.	Company	Canada	100%	Provides services related to passport and consular 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.
BLS International Services (UK) Limited	Private Company Limited by shares	England	100%	Providing services related to visa processing with Spain MOFA.
BLS VAS Singapore Pte. Limited	Private Company Limited by shares	Singapore	70%	Provides services related to office administrative and courier services.
BLS International Vize Hizmetleri Limited, Sriketi	Private Company Limited by shares	Turkey	98%	Providing services related to visa processing with Spain MOFA.
Consular Outsourcing BLS Services Inc.	Company	USA	100%	Providing services related to visa processing with Spain MOFA.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

1. Establishment and operations (continued)

BLS International Services Limited	Company	Hong Kong	100%	Providing the consular support services to Indian mission in Honk Kong.
BLS International (pty) Limited	Company	South Africa	100%	Providing the consular support services to Spain mission in South Africa.

*BLS International Services maintains 14 additional licenses (3 establishments and 11 branches in U.A.E), for regulating the principal activities of the Establishment.

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 in these consolidated financial statements:

	<u>Effective for annual periods beginning</u>
IFRS 16 Leases	January 01, 2019
Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities.	January 01, 2019
Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures.	January 01, 2019
Annual Improvements to IFRSs 2015-2017 Cycle	January 01, 2019
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

IFRS 16 Leases

The Group applied IFRS 16 for the first time. The nature and effect of the changes as a result of the adoption of this new standard are described below;

IFRS 16 leases were issued on January 2016, and it replaces IAS 17 'Leases', IFRIC 4 'Determining the arrangement contains a lease', SIC-15 'Operating leases-incentives and SIC-27 'Evaluating the substance of transactions involving the legal form of lease'.

IFRS 16 is effective for annual periods commencing on or after January 01, 2019. It is stipulated that all leases and the associated contractual rights and obligations should generally be recognised in the Group's financial position unless the term is 12 months or less or the lease for a low-value asset.

Thus, the classification required under IAS 17 'Leases' into operating or finance leases is eliminated for lessees. For each lease, the lessee recognises a liability for future lease obligations. Correspondingly, a right to use the leased asset is capitalised, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortised over the useful life.

The Group has adopted IFRS 16 using the modified retrospective transition approach as of April 01, 2019, and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.



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

2.1. Standards and interpretations effective in the current year (continued)

Impact on Lessee Accounting

Former operating leases:

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

- recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of future lease payments;
- recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss; and
- separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 Impairment of Assets. This replaces the previous requirement to recognise a provision for onerous lease contracts.

For short term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within other expenses in the statement of profit or loss.

The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. IFRS 16 requires that the Group recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Group's consolidated financial statements.



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

2.1. Standards and interpretations effective in the current year (continued)

Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, regarding how a lessor manages the risks arising from its residual interest in the leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17). The Group has no lessor contracts and subleasing arrangements and has no impact with this provision.

The application of IFRS 16 from the annual period beginning April 01, 2019 does not have an impact on the Group's consolidated financial statements.

Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9.

These amendments do not have any impact on the consolidated financial statements.

Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures

These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

These amendments do not have any impact on the consolidated financial statements.



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

2.1. Standards and interpretations effective in the current year (continued)

Annual Improvements to IFRSs 2015-2017 Cycle

The Annual Improvements include amendments to four standards.

(i) IAS 12 Income Taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

(ii) IAS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

(iii) IFRS 3 Business Combinations

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

(iv) IFRS 11 Joint Arrangements

The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.

These amendments do not have any impact on the consolidated financial statements.



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

2.1. Standards and interpretations effective in the current year (continued)

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income. The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended.

These amendments do not have any impact on the consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- The effect of changes in facts and circumstances.

These amendments do not have any impact on the consolidated financial statements.

2.2. New and revised IFRS in issue but not effective and not early adopted

The following standards, amendments thereto and interpretations have been issued prior to March 31, 2020 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 impact only the disclosures within the consolidated financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards
Amendment to IFRS 3 Business Combinations relating to definition of a business

Effective for annual periods beginning

January 01, 2020

January 01, 2020



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

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

2.2. New and revised IFRS in issue but not effective and not early adopted (continued)

	<u>Effective for annual periods beginning</u>
Amendments to IAS 1 and IAS 8 relating to definition of material	January 01, 2020
IFRS 17 Insurance Contracts	January 01, 2022
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Indefinitely deferred

3. Basis of presentation and significant accounting policies

3.1. Statement of compliance

These 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 requirements of Implementing Regulations of Free Trade Zone pursuant to the Emiri Decree No. 6 of 1995.

3.2. Basis of measurement

These consolidated financial statements have been prepared under 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 into 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.

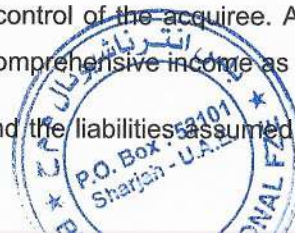
3.3. Functional and presentation currency

These 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'). These consolidated financial statements are presented in Arab Emirates Dirhams (AED), which is the Group's functional and presentation currency.

3.4. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at fair value which is calculated as the sum of the acquisition-date fair values of the assets transferred to the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in the consolidated statement of comprehensive income as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except:



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

3.4. Business combinations (continued)

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 Share-based Payments at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of the measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at the fair value or, when applicable, on the basis specified in another IFRS.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, is measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with the relevant IFRS. Changes in the fair value of contingent consideration classified as equity are not recognized.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognized in the consolidated statement of comprehensive income. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to consolidated statement of comprehensive income, where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.



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

3.5. Basis of consolidation

These consolidated financial statements incorporate the financial statements of **BLS International FZE** (the Parent) and the entities controlled by the Parent. Control is achieved when the Parent:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent obtains control, and continue to be consolidated until the date when such control ceases. The Parent reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Parent has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent considers all relevant facts and circumstances in assessing whether or not the Parent's voting rights in an investee are sufficient to give it power, including:

- The size of the Parent's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Parent, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Parent has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at the previous Shareholders' meeting.

When the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in consolidated statement of comprehensive income;
- Reclassifies the Parent's share of components previously recognized in other comprehensive income to profit and loss or retained earnings, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those adopted at Group level.



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

3.5. Basis of consolidation (continued)

3.6. 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.

3.7. Revenue recognition

IFRS 15 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3: Determine the transaction price: Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue as and when the entity satisfies a performance obligation.

The Group recognizes revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance obligation completed to date.



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

3.7. Revenue recognition (continued)

The Group allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations. The Group estimates the costs to complete the projects in order to determine the amount of revenue to be recognized.

When the Group satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rises to a contract liability.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

3.7.1. Revenue from services

The Group manages the administrative function of the visa and passport applications process for various countries. 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 and revenue against such services are recognized at a point in time upon completion and satisfies the performance obligation in line with the terms of contract with customer.

3.8. Finance income

Interest income is accrued on a time basis, based on the principal outstanding and at the effective interest rate applicable. Finance income comprises interest income from banks and is recognized as an income in the year in which it is accrued.

3.9. Direct expenses

Direct expenses include direct operating expenses incurred in generating revenue. Expenses that are not immediately attributable to the generating of revenue are not included in the direct expenses. Direct expenses are recognized over the term that the associated revenue is recognized.

3.10. Provision for employees' end of service indemnity

Estimated amounts required to cover employees' end of service indemnity at the date of consolidated 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.



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

3.11. Investment in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

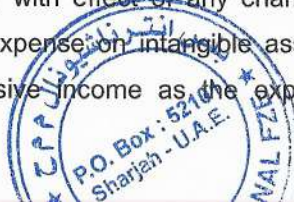
The Group determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the consolidated statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.12. 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 profit or loss in the period 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 estimated useful lives are reviewed at the end of each annual reporting period, 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)

3.12. 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 de-recognized.

3.12.1. 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.

3.12.2. Other intangible assets

Other intangible assets represent Key money paid to agents to operate business abroad. These costs are recognized as an asset and amortized on a straight-line basis over a period of 3 years in line with the agreement terms.

3.13. Capital work in progress

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

3.14. Property, plant and equipment

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

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

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



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Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

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

3.14. Property, plant and equipment (continued)

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 asset, are capitalized and depreciated over the remaining life of the asset.

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 consolidated statement of comprehensive income.

3.15. Borrowing costs

Borrowing costs related to the acquisition, construction and production of the qualifying assets are treated as part of the cost of the relevant assets. Qualifying assets are those assets that take a substantial period to get ready for their intended use. The borrowing costs eligible for capitalization are the actual borrowing costs incurred on the borrowing during the year less any investment income on the temporary investment of those borrowings.

The borrowing costs eligible for capitalization are determined by applying capitalization rate to the expenditures on the qualifying assets.

The capitalization rate is the weighted average of the borrowing applicable to the borrowings of the Group that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining the qualifying assets.

Capitalization of borrowing costs commence when:

- Expenditures for the qualifying assets being incurred.
- Borrowing costs are being incurred, and
- Activities that are necessary to prepare the qualifying assets for their intended use or sale are in progress.

Capitalization of borrowing costs ceases when substantially all activities necessary to prepare the qualifying assets for their intended use or sale are complete.

All other borrowing costs are expensed in the period in which they occur.



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

3.16. 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 (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 assets previously revalued with the revaluation taken to other comprehensive income. For such assets, 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 exceeds 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.



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

3.17. Foreign currencies

3.17.1. 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.

3.18. 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.

3.19. Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.20. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains a lease. A contract is or contains a lease if the contracts convey the right to control the use of an identified asset for the Group for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assess whether:



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

3.20. Leases (continued)

- the contract involves the use of an identified asset -this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Group has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on a reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

However, where the contract is not separable into a lease and non-lease component then the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group determines the lease term as the non – cancellable period of a lease, together with both:

- a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.



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

3.20. Leases (continued)

3.20.1. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities.

The cost of right-to-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, plus an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located and lease payments made at or before the commencement date less any lease incentives received unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term.

The recognised right-to-use assets are subsequently depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Also, the right-of-use assets are periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

3.20.2. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (those leases that have a lease term of 12 months or less and do not contain a purchase option). It also applies the lease of low-value assets exemption to leases that are considered of low value. Lease payments on short-term leases and lease of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.20.3. Lease liability

The lease liability is initially recognised at the present value of the lease payments that are not paid in the commencement date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group used its incremental borrowing rate.

After initial recognition, the lease liability is measured by:

- a) increasing the carrying amount to reflect interest on the lease liability;
- b) reducing the carrying amount to reflect the lease payments made; and
- c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.



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

3.20. Leases (continued)

3.20.3. Lease liability (continued)

Where,

- a) there is a change in the lease term as a result of reassessment of certainty to exercise an exercise option, or not to exercise a termination option as discussed above; or
- b) there is a change in the assessment of an option to purchase the underlying asset, assessed considering the events and circumstances in the contract of a purchase option, the Group remeasures the lease liability to reflect changes to lease payments by discounting the revised lease payments using a revised discount rate. The Group determined the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined.
- c) there is a change in the amounts expected to be payable under a residual value guarantee; or
- d) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including a change to reflect changes in market rental rates following a market rent review. The Group remeasures the lease liabilities by discounting the revised lease payments using an unchanged discount rate unless the change in lease payments results from a change in floating interest rates. In such case, the Group use a revised discount rate that reflects a change in the interest rate.

The Group recognises the amount of the re-measurements of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero, and there is a further deduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in profit or loss.

The Group accounts for a lease modification as a separate lease if both:

- a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- b) the consideration for the lease increase by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the context.

For lease modifications that are not accounted for as a separate lease, the Group, at the effective date of the lease modification:

- a) allocates the consideration in the modified contract;
- b) determines the lease term of the modified lease; and



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

3.20. Leases (continued)

3.20.3. Lease liability (continued)

c) remeasures the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective rate of the modification, if the interest rate implicit in the lease cannot be readily determined.

3.21. 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.

3.21.1. Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through OCI,
- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets that whether the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the cash flows that whether contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Management determines the classification of its investment at initial recognition.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.



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

3.21. Financial instruments (continued)

3.21.1. Financial assets (continued)

Financial assets at fair value through other comprehensive income (FVTOCI) are carried at fair value. After initial measurement, the Group present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

Financial assets at fair value through profit or loss (FVTPL) are carried at fair value. After initial recognition, the Group present the fair value gains and losses in profit and loss account.

Financial assets at amortized cost subsequently measured at amortized cost using effective interest method less impairment if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The Group's financial assets measured at amortised cost include accounts and other receivables (excluding prepayments and advances), other financial assets and cash and cash equivalents.

3.21.2. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward looking 'expected credit loss' (ECL) model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability weighted basis. A loss allowance for expected credit losses is recognised on all classes of financial assets, other than those that are measured as fair value through profit or loss and equity instruments classified and measured at fair value through other comprehensive income.

The Group has adopted the simplified approach for measuring the impairment on trade receivables, lease receivables and contract assets. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 months ECL.



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

3.21. Financial instruments (continued)

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

The ECL model is forward looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are highly doubtful of collection, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.



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

3.21. Financial instruments (continued)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped for the assessment of the expected credit loss. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

3.21.3. De-recognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.



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

3.21. Financial instruments (continued)

3.21.4. Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at Fair Value Through Profit or Loss (FVTPL). However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is:

- i) contingent consideration of an acquirer in a business combination,
- ii) held for trading, or
- iii) it is designated as at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognized in profit or loss.

The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities measured subsequently at amortised cost:

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.



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

3.21. Financial instruments (continued)

3.21.4. Financial liabilities (continued)

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Group's financial liabilities measured at amortised cost include accounts and other payables (less advances).

3.21.5. De-recognition of financial liabilities

The Group de-recognizes 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 recognized in the consolidated statement of comprehensive income.

3.21.6. 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 realize the assets and settle the liabilities simultaneously.

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



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

3.22. Current and non-current classification (continued)

All other assets are classified as non-current.

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.

3.23. Changes in accounting policies

This note explains the impact of the adoption of new standards on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from April 01, 2019, where they are different to those applied in prior periods.

4. Significant accounting judgments and key sources of estimation uncertainty

4.1. Significant 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 consolidated financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated 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. 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 dates and other employment terms and conditions.



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4. Significant accounting judgments and key sources of estimation uncertainty (continued)

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

4.1.3. Classification of investments

Management decides on acquisition of an investment whether it should be classified as investments at FVTOCI, investments at FVTPL and amortised cost instruments. Classification of investments as fair value through profit or loss depends on how management monitors the performance of these investments. When they are not classified as held for trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, they are classified as fair value through profit or loss.

All other investments are classified as investments at FVTOCI.

4.1.4. Discount rate used for the initial measurement of lease liability

The Group, as a lessee, measures the lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

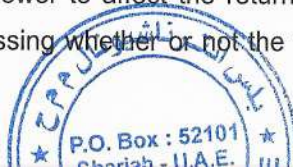
The Group determines its incremental borrowing rate with reference to its current and historical cost of borrowing adjusted for the term and security against such borrowing.

4.1.5. The lease-term of contracts with renewal options

The Group determines the lease term considering all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.1.6. Control over subsidiaries

The Parent follows the guidance of IFRS 10 'Consolidated Financial Statements' in determining whether it controls an entity and this determination requires significant judgment. In making this judgment, the Parent evaluates, among other factors, the power it has over the investee, the rights to variable returns from its involvement with the entity, and the ability to use its power to affect the returns of the entity. The Parent considers all relevant facts and circumstances in assessing whether or not the voting rights in an investee are sufficient to give it power.



4. Significant accounting judgments and key sources of estimation uncertainty (continued)

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

4.1.7. Investment in associates

The investor follows the guidance of IAS 28 'Investment in Associates and Joint Ventures' in determining whether it has significant influence over the associates and this determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the power to participate in the financial and operating policy decisions of the associates.

4.1.8. Impairment of investment in associates

The Group follows the guidance of IAS 36 to determine when an investment in an associate is impaired, and this determination requires significant judgment. In making this

judgment in the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

4.1.9. Going concern assumption

Management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

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. Property, plant and equipment

Property, plant and equipment are depreciated over their estimated useful lives, 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.

4.2.2. Intangible assets

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



4. Significant accounting judgments and key sources of estimation uncertainty (continued)

4.2. Key sources of estimation uncertainty (continued)

4.2.3. *Impairment of non-financial assets*

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 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.

4.2.4. *Impairment losses on receivables*

In measuring the expected credit loss allowance for financial assets measured at amortised cost, management uses the Expected Credit Loss (ECL) model and assumptions about future economic conditions and credit behaviour such as likelihood of customer defaulting. Management consider the following judgements and estimates:

- Development of ECL model, including formula and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessments;
- The segmentation of financial assets when the ECL is assessed on a collective basis; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on probability of default (PDs), exposure at default (EADs) and loss given default (LGD); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models.

The Group recognises lifetime expected credit loss (ECL) for accounts and other receivables using the simplified approach (note 9). Allowance for impairment losses on accounts receivables is AED 853,376/-.



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BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

5. Property and equipment

<u>March 31, 2020</u>												
		<u>Capital work in progress</u>	<u>Buildings</u>	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Furniture and fixtures</u>	<u>Vehicles</u>					
		<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>					<u>AED</u>
Cost												
As at March 31, 2019		1,391,755	3,935,454	1,800,336	4,748,336	3,739,663	456,321					
Additions		158,117	-	-	118,641	139,749	265,952					
Disposals		(1,328,119)	-	-	-	-	(126,518)					
Business acquisition		-	-	-	127,686	124,874	-					
Write-offs		-	-	-	(14,385)	-	-					
Transfers		(221,753)	-	221,753	-	-	-					
Exchange rate differences		-	-	(6,793)	(15,914)	(23,073)	(3,152)					
As at March 31, 2020		-	3,935,454	2,015,296	4,964,364	3,981,213	592,603					
Accumulated depreciation												
As at March 31, 2019		-	(177,221)	(759,863)	2,705,164	1,329,155	(134,240)					
Depreciation for the year		-	(197,312)	(466,880)	(352,917)	(270,291)	(49,747)					
On disposal		-	-	-	-	-	67,997					
Business acquisition		-	-	-	(62,057)	(84,852)	-					
Exchange rate differences		-	-	-	21	63	-					
As at March 31, 2020		-	(374,533)	(1,226,743)	(3,120,117)	(1,684,235)	(115,990)					
Carrying amount:												
As at March 31, 2020		-	3,560,921	788,553	1,844,247	2,296,978	476,613					

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BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

5. Property and equipment (continued)

	<u>March 31, 2019</u>							
	<u>Capital work in progress</u>	<u>AED</u>	<u>Buildings</u>	<u>AED</u>	<u>Leasehold improvements</u>	<u>AED</u>	<u>Office equipment</u>	<u>AED</u>
Cost								
As at March 31, 2017	-	-	3,080,219	1,182,457	4,411,238	3,480,833	383,572	
Additions	1,391,755	-	2,970,760	593,735	374,557	205,560	121,352	
Disposals	-	-	(2,115,525)	-	-	-	(46,900)	
Business acquisition	-	-	-	31,069	-	134,253	-	
Exchange rate differences	-	-	-	(6,925)	(37,459)	(80,983)	(1,703)	
As at March 31, 2019	1,391,755	-	3,935,454	1,800,336	4,748,336	3,739,663	456,321	
Accumulated depreciation								
As at March 31, 2017	-	-	(203,001)	(404,158)	(2,219,414)	(1,072,170)	(131,566)	
Depreciation for the year	-	-	(173,398)	(352,890)	(503,655)	(247,550)	(36,778)	
On disposal	-	-	199,178	-	-	-	33,241	
Business acquisition	-	-	-	(3,926)	-	(19,835)	-	
Exchange rate differences	-	-	-	1,111	17,905	10,400	863	
As at March 31, 2019	-	-	(177,221)	(759,863)	(2,705,164)	(1,329,155)	(134,240)	
Carrying amount:								
As at March 31, 2019	1,391,755	3,758,233	1,040,473	2,043,172	2,410,508	322,081		

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Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

6. Intangible assets

	Software AED	Other intangible assets* AED	Total AED
Cost			
As at March 31, 2018	9,551,807	2,763,197	12,315,004
Additions	7,478,771	2,216,561	9,695,332
Business acquisition	-	7,145	7,145
Exchange rate differences	(54,501)	(1,203)	(55,704)
As at March 31, 2019	16,976,077	4,985,700	21,961,777
Additions	3,162,946	-	3,162,946
Disposals	(7,452,494)	-	(7,452,494)
Exchange rate differences	(18,918)	(1,101)	(20,019)
As at March 31, 2020	12,667,611	4,984,599	17,652,210
Amortization			
As at March 31, 2018	(7,274,993)	-	(7,274,993)
Amortization for the year	(1,338,772)	(2,423,913)	(3,762,685)
Business acquisition	-	(256)	(256)
Exchange rate differences	38,329	69	38,398
As at March 31, 2019	(8,575,436)	(2,424,100)	(10,999,536)
Amortization for the year	(2,716,846)	(1,178,394)	(3,895,240)
Disposals	-	2,124,319	2,124,319
Exchange rate differences	-	-	-
As at March 31, 2020	(11,292,282)	(1,478,175)	(12,770,457)
Carrying amount:			
As at March 31, 2020	1,375,329	3,506,424	4,881,753
As at March 31, 2019	8,400,641	2,561,600	10,962,241

*This includes AED 4,979,758/- representing key money paid to the M/s White Rhinos, the Group's agent in Russia to operate an entity to provide VISA services.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

7. Investment in associates

The Group's investment in associates consists of the following entities:

<u>Name</u>	<u>Country of incorporation</u>	<u>Ownership interest</u>		<u>Carrying amount</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		<u>%</u>	<u>%</u>	<u>AED</u>	<u>AED</u>
DSS Gulf Realtors Ltd, Dubai	UAE	50	50	13,603,810	13,603,810
BLS E-Services (Bangladesh) Limited	Bangladesh	49	49	2,388	2,388
BLS Algeria	Algeria	49	-	1,735	-
Total				13,607,933	13,606,198

Movements:

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Cost		
Balance at the beginning of the year	13,606,198	13,606,198
Additions	1,735	-
Balance at the end of the year	13,607,933	13,606,198

8. Related party transactions

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
8.1 Due from related parties	11,148,181	14,804,804

Presented in the consolidated statement of financial position as:

Accounts and other receivables (Note 9)	11,148,181	14,804,804
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	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
8.2 Due to related parties	113,429	552,536

Presented in the consolidated statement of financial position as:

Accounts and other payables (Note 14)	113,429	552,536
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Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

8. Related party transactions (continued)

The Group enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 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>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Consultancy expenses	<u>9,928,944</u>	<u>10,679,035</u>

9. Accounts and other receivables

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Receivable from customers	21,905,505	28,911,822
Due from related parties (Note 8.1)	<u>11,148,181</u>	<u>14,804,804</u>
	33,053,686	43,716,626
Less: Loss allowance (Note 9.3)	<u>(853,376)</u>	-
	32,200,310	43,716,626
Advances	179,215	121,372
Staff advances	671	-
Deposits	2,141,118	2,038,888
Prepayments	832,566	1,108,387
Other receivables	<u>3,335,375</u>	<u>4,422,376</u>
	<u>38,689,255</u>	<u>51,407,649</u>

9.1. Age-wise analysis of accounts receivable

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Not past due	2,873,193	9,735,750
Past due:		
Less than 180 days	11,946,865	17,519,294
More than 180 days	<u>7,085,447</u>	<u>1,656,778</u>
	<u>21,905,505</u>	<u>28,911,822</u>

The Group measures the loss allowances for accounts receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit loss on accounts receivables are estimated by using a provision matrix by reference to past default experience of debtors and an analysis of debtor's current financial positions, adjusted for factors that are specific to the debtors' economic conditions of the industry.



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Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

9. Accounts and other receivables (continued)

The Group has recognized a loss allowance of AED 853,376/-, based on the following provision matrix:

9.2. Provision matrix for loss allowance

Accounts receivables	Expected loss rate
Not past due	0.9%
Less than 180 days	1%
More than 180 days	10%

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 owned by the Group to the counterparty. The average credit period is 90 days. No interest is being charged on accounts receivables.

9.3. Movement in the loss allowance of accounts receivables

	2020 AED	2019 AED
Balance at the beginning of the year	-	313,371
Loss allowance on receivables (Note 18)	1,117,523	2,831,198
Amounts written off	(264,147)	(3,144,569)
	<u>(853,376)</u>	<u>-</u>

10. Other financial assets

	2020 AED	2019 AED
Term deposits	98,640,051	49,303,346
Margin deposits	<u>174,000</u>	<u>174,000</u>
	<u>98,814,051</u>	<u>49,477,346</u>

11. Cash and cash equivalents

	2020 AED	2019 AED
Cash in hand		
Bank balances:		
In current accounts	6,255,763	23,843,827
In fixed deposits	<u>174</u>	<u>3,961,918</u>
	<u>6,635,800</u>	<u>28,540,689</u>



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

12. Foreign currency translation reserve

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. Foreign currency differences are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity.

13. Provision for employees' end of service indemnity

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Opening balance	780,565	583,221
Charges for the year	320,571	305,894
Actuarial loss	-	4,572
Payments during the year	<u>(156,596)</u>	<u>(113,122)</u>
	<u>944,540</u>	<u>780,565</u>

14. Accounts and other payables

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Payable to suppliers	7,137,241	9,194,154
Due to related parties (Note 8.2)	<u>113,429</u>	<u>552,536</u>
	7,250,670	9,746,690
Accrued expenses	644,349	1,257,544
Advance from customers	162,226	-
Tax payable	405,601	2,420,524
Provision for staff benefits	1,407	-
Other payables	484,622	590,996
Staff payables	<u>986,983</u>	<u>1,115,017</u>
	<u>9,935,858</u>	<u>15,130,771</u>

15. Revenue

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Service charges*	358,493,353	361,688,287
Other revenues	<u>297,548</u>	<u>81,879</u>
	<u>358,790,901</u>	<u>361,770,166</u>

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



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Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

16. Direct expenses

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Visa and supporting processing charges	271,070,159	270,456,651
Other expenses	<u>671,901</u>	<u>587,020</u>
	<u>271,742,060</u>	<u>271,043,671</u>

17. Other income

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Gain on disposal of property, plant and equipment	-	591,135
Excess provision written back	659,967	-
Miscellaneous	<u>1,291,861</u>	<u>1,635,346</u>
	<u>1,951,828</u>	<u>2,226,481</u>

18. General, selling and administrative expenses

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Staff cost (Note 19)	23,415,162	23,370,223
Short-term leases (Note 23)	5,269,742	5,022,785
License and professional	7,385,285	10,671,702
Business promotion	3,800,417	260,153
Loss allowance on receivables (Note 9.3)	1,117,523	2,831,198
Bank charges	622,321	382,541
Commission paid	14,365	294,545
Computer expenses	104,829	60,560
Printing and stationery	513,665	410,671
Advance written off	1,230,821	111,743
Repairs and maintenance	740,239	702,711
Office expenses	608,925	484,087
Loss on disposal of property, plant and equipment	24,522	-
Security	368,042	379,925
Software expenses	533,934	355,259
Communication	2,238,822	1,288,914
Transport and freight	479,842	357,580
Travelling	1,312,364	996,149
Motor vehicle expenses	145,883	140,306
Insurance	141,428	115,117
Exchange rate loss	284,524	581,064
Utilities	345,715	330,534
Other expenses	<u>775,421</u>	<u>407,618</u>
	<u>51,473,791</u>	<u>49,555,385</u>



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Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

19. Staff cost

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Salaries and allowances	21,224,995	20,557,946
Staff benefits	652,050	648,129
Others	1,538,117	2,164,148
	<u>23,415,162</u>	<u>23,370,223</u>

20. Depreciation and amortization

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Total depreciation (Note 5)	1,337,147	1,314,271
Total amortization (Note 6)	3,895,240	3,762,685
	<u>5,232,387</u>	<u>5,076,956</u>

21. Finance income

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Interest received on fixed deposits	2,257,696	1,095,108
Other interest	4,947	1,561
	<u>2,262,643</u>	<u>1,096,669</u>

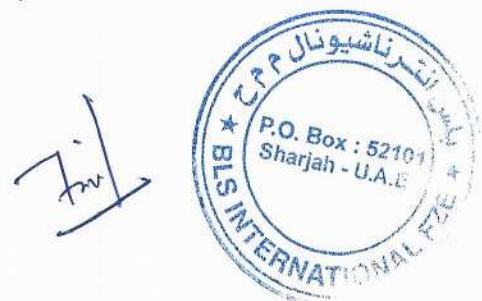
22. Acquisition of subsidiary

On July 30, 2019, The Group acquired 100% ownership interest in BLS International Services Limited, Hong Kong.

BLS International Services Limited is a private Company limited by shares incorporated with the Department of Commerce Bureau under Registration No. 2205648 on February 23, 2015. The principal activity of the Company is providing the consular support services to Indian mission in Hong Kong.

On March 02, 2020, The Group acquired 100% ownership interest in BLS International (pty) Limited, South Africa.

BLS International (pty) Limited is a private Company limited by shares incorporated with the Commissioner of Companies & Intellectual under Registration No. 2012/212975/07 on November 29, 2012. The principal activity of the Company is providing the consular support services to Spain mission in South Africa.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

22. Acquisition of subsidiary (continued)

22.1. Assets acquired and liabilities recognized at the date of acquisition

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Assets		
Non-current assets	105,718	133,673
Current assets	<u>528,935</u>	<u>264,246</u>
	<u>634,653</u>	<u>397,919</u>
Liabilities		
Non-current liabilities	-	(24,240)
Current liabilities	<u>(757,505)</u>	<u>(251,935)</u>
	<u>(757,505)</u>	<u>(276,175)</u>
Net liabilities/assets acquired	<u>(122,852)</u>	<u>121,744</u>

22.2 (Loss)/gain on business acquisition

Net consideration transferred	47,240	50,988
Fair value of identifiable net liabilities/assets acquired	<u>122,851</u>	<u>(121,744)</u>
	<u>170,091</u>	<u>(70,756)</u>

23. Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	<u>2020</u>
	<u>AED</u>
Short-term leases (Note 18)	<u>5,269,742</u>

24. Contingent liability

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Labour guarantee	<u>174,000</u>	<u>174,000</u>

Labour guarantee represents the guarantee issued to Ministry of Labour for getting UAE work permit.

25. Capital commitments

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Capital commitments against interior fit-outs: (Note 5)		<u>375,273</u>



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

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

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Financial assets		
<i>Measured at amortised cost:</i>		
Cash and cash equivalents	6,635,800	28,540,689
Accounts and other receivables (less prepayments and advances)	37,677,474	50,177,890
Other financial assets	<u>98,814,051</u>	<u>49,477,346</u>
	<u>143,127,325</u>	<u>128,195,925</u>
Financial liabilities		
<i>Measured at amortised cost:</i>		
Accounts and other payables (less advances)	<u>9,773,632</u>	<u>15,130,771</u>

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 previous year.

The capital structure of the Group consists of equity of the Group (comprising of share capital and retained earnings).

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.

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.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

26. Financial instruments and risk management (continued)

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.

Credit risk grading framework:

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >365 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

Group	Rating	12 month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Accounts receivables	(i)	Lifetime ECL (Simplified approach)	21,905,505	(853,376)	21,052,129

(i) For trade receivables, the Group has applied the simplified approach to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

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 an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.



Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2020

26. Financial instruments and risk management (continued)

26.4. Liquidity risk management (continued)

The Group manages the liquidity risk through risk management framework for the Group's short, medium and long-term funding and liquidity requirements by maintaining adequate reserves and sufficient cash and cash equivalents to ensure that funds are available to meet its commitments for liabilities as they fall due.

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>Within 1 year</u>
	<u>AED</u>
<u>As at March 31, 2020</u>	
<i>Measured at amortised cost:</i>	
Accounts and other payables (less advances)	<u>9,773,632</u>
<u>As at March 31, 2019</u>	
<i>Measured at amortised cost:</i>	
Accounts and other payables (less advances)	<u>15,130,771</u>

27. Segment information

Operating segment:

The Group operates in the following 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.

	<u>2020</u>	<u>2019</u>
	<u>AED</u>	<u>AED</u>
Segment of revenue		
Middle East	184,266,234	194,023,133
Asia Pacific	36,839,228	46,782,421
Europe	40,466,759	18,314,736
Africa	215,460	-
North America	<u>97,003,220</u>	<u>102,649,876</u>

Geographical segment:

The Group operates in the following geographical segments: Middle East, Asia Pacific, Europe Africa and North America.

28. Fair value of financial instruments

The fair values of financial instruments approximate their carrying values except as otherwise disclosed in these consolidated financial statements.

29. Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation.



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