

NIIT (MALAYSIA) SDN. BHD.
Company No. : 199701002652 (418148-D)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS - 31ST MARCH 2021

LLOYDS EARLE PANICKER & TAN
Chartered Accountants
AF 0604

COMPANY NO. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS - 31ST MARCH 2021

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NIIT (MALAYSIA) SDN. BHD. 199701002652 (418148-D)
(Incorporated in Malaysia)

CORPORATE INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	: MALAYSIA
LEGAL FORM	: COMPANY LIMITED BY SHARES INCORPORATED UNDER THE COMPANIES ACT, 2016
HOLDING COMPANY	: NIIT LIMITED
BOARD OF DIRECTORS	: CHANG HONG YUN : DR. CHONG TIN CHUAI : AMIT ROY : KAMAL NAIN DHUPER
SECRETARIES	: TAY BENG CHAI (BC NO. T296) : CHOO SOOK FUN (LS 0009607)
REGISTERED OFFICE	: 6th Floor, Plaza See Hoy Chan, Jalan Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan.
NO. OF EMPLOYEES AS AT 31.3.2021	: 3
AUDITORS	: LLOYDS EARLE PANICKER & TAN (AF0604) Chartered Accountants Suite 1.00, Level 11B, Akademi Etiqa, No.23, Jalan Melaka, 50100 Kuala Lumpur.

COMPANY NO. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

REPORT OF THE DIRECTORS

The Directors take pleasure in submitting their Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2021.

1. PRINCIPAL ACTIVITIES

The company is principally engaged in the provision of management services in education and training. There have been no significant changes in the nature of its activities during the financial year.

2. HOLDING COMPANY

The Company is a wholly owned subsidiary of NIIT LIMITED, a Company incorporated in India.

3. FINANCIAL RESULTS

- (a) Profits after taxation for the financial year amounted to RM311,643.
- (b) In the opinion of the Directors, the results of the Company's operations for the financial year ended 31st March 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature.

4. DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

5. RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

6. ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

7. SHARE OPTIONS

During the financial year, no options were granted to any person to take up unissued shares in the Company. As at 31st March 2021, there were no outstanding options on the unissued shares in the Company.

COMPANY NO. : 199701002652 (418148-D)

8. DIRECTORS

- (a) The Directors in office since the date of the last Report are :-

CHANG HONG YUN
DR. CHONG TIN CHUAI
AMIT ROY
KAMAL NAIN DHUPER

- (b) Throughout the year ended 31st March 2021, all the Directors did not hold any shares in the Company and the Holding Company.
- (c) Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangements, to which the Company is a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.
- (d) Since the end of the previous financial year, none of the Directors of the Company have received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with a Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.
- (e) Directors' fee amounting to RM19,000 was paid during the financial year.

9. OTHER STATUTORY INFORMATION

- (a) Before the Financial Statements were made out, the Directors had taken reasonable steps :-
- (i) to ascertain that proper actions had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and to satisfy themselves that there were no known bad debts and that adequate allowance for doubtful debts has been made; and
 - (ii) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business were written down to an amount which they might be expected so to realise.
- (b) At the date of this Report, the Directors are not aware of any circumstances which would render :-
- (i) it necessary to write off bad debts or the allowance for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the Financial Statements misleading.

9. OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this Report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) As at the date of this Report, there are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (e) (i) As at the date of this Report, , there are no contingent liabilities which have arisen since the end of the financial year.

(ii) No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company to meet its obligations as and when they fall due.
- (f) At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in the Report or the Financial Statements which would render any amount stated in the Financial Statements misleading.
- (g) In the opinion of the Directors, the results of the financial year in which this Report is made are not likely to be substantially affected by any item, transaction or event which has arisen in the interval between the end of the financial year and the date of this Report.
- (h) Auditors' remuneration for the financial year ended 31st March 2021 amounted to RM16,000.

Signed in accordance with a resolution of the Directors.

.....
AMIT ROY
(Director)

.....
KAMAL NAIN DHUPER
(Director)

Dated : 17th May 2021

COMPANY NO. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, AMIT ROY and KAMAL NAIN DHUPER, being two of the Directors of NIIT (MALAYSIA) SDN. BHD., do hereby state that in the opinion of the Directors, the accompanying financial statements set out in Pages 9 to 20 are drawn up in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and provisions of the Companies Act, 2016 so as to give a true and fair view of the financial position of the Company as at 31st March 2021 and of the results and cash flows for the year then ended.

Signed in accordance with a resolution of the Directors,

.....
AMIT ROY

.....
KAMAL NAIN DHUPER

Dated : 17th May 2021

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act, 2016

I, AMIT ROY, the Director primarily responsible for the accounting records and financial management of NIIT (MALAYSIA) SDN. BHD., do solemnly and sincerely declare that the Financial Statements set out in Pages 9 to 20 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Notaries Act 1952, Republic of India.

Subscribed and solemnly declared by the)
abovenamed AMIT ROY)
(PASSPORT NO: Z3016760))
)
in)
)
on)

.....
AMIT ROY

Before me,

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIIT (MALAYSIA) SDN. BHD. 199701002652 (418148-D)**
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIIT (MALAYSIA) SDN. BHD., which comprise the statement of financial position as at 31st March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out in pages 9 to 20.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standard Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements, which shall give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company 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 approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also :-

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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 the internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

LLOYDS EARLE PANICKER & TAN
CHARTERED ACCOUNTANTS
AF 0604

TAN PENG SAM
PARTNER
00888/05/2022 J

Dated :
Kuala Lumpur

NIIT (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	NOTES	2021		2020
		RM	RM	RM
NON-CURRENT ASSETS				
Property, plant and equipment	4	-	-	-
Deferred tax asset		77,119	122,699	122,699
		77,119		
CURRENT ASSETS				
Trade receivables	5	171,953	2,393,527	2,393,527
Non-trade receivables		9,485	12,596	12,596
Amount owing by related companies	6	4,454,070	4,005,384	4,005,384
Cash and bank balances		2,783,487	907,644	907,644
			7,418,995	7,319,151
TOTAL ASSETS			7,496,114	7,441,850
EQUITY				
Share capital	7	5,541,000	5,541,000	5,541,000
Retained profits	8	1,320,348	1,008,705	1,008,705
		6,861,348	6,549,705	6,549,705
CURRENT LIABILITIES				
Trade payables		160,623	206,909	206,909
Non-trade payables and accruals		256,338	597,176	597,176
Amount owing to related companies	9	217,805	88,060	88,060
TOTAL LIABILITIES			634,766	892,145
TOTAL EQUITY AND LIABILITIES			7,496,114	7,441,850

The notes on pages 13 to 20 form an integral part of the financial statements

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NIIT (MALAYSIA) SDN. BHD.
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2021**

	2021	2020
	RM	RM
REVENUE	1,225,041	2,856,843
COST OF SERVICES	(923,440)	(2,339,064)
GROSS PROFITS	301,601	517,779
OTHER INCOME	267,166	459,773
ADMINISTRATION EXPENSES	(150,254)	(329,187)
PROFITS FOR THE YEAR BEFORE TAXATION (Note 10)	418,513	648,365
TAXATION (Note 11)	(106,870)	(65,810)
PROFITS FOR THE YEAR AFTER TAXATION	311,643	582,555

The notes on pages 13 to 20 form an integral part of the financial statements

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

	<u>2021</u>	<u>2020</u>
	RM	RM
SHARE CAPITAL		
At the beginning and the end of the year	<u>5,541,000</u>	<u>5,541,000</u>
RETAINED PROFITS		
At the beginning of the year	1,008,705	426,150
Profit for the year after taxation	<u>311,643</u>	<u>582,555</u>
At the end of the year	<u>1,320,348</u>	<u>1,008,705</u>
TOTAL SHAREHOLDERS' EQUITY AT THE END OF THE YEAR	<u>6,861,348</u>	<u>6,549,705</u>

The notes on pages 13 to 20 form an integral part of the financial statements

COMPANY NO. : 199701002652 (418148-D)

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2021**

	2021		2020
	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the year before taxation	418,513		648,365
Adjustment for :			
Interest charged to related company	(230,038)		(220,836)
Unrealised gain on foreign exchange	(36,278)		(202,413)
Increase for leave encashment	(850)		1,510
Operating profits before working capital changes	151,347		226,626
Decrease in receivables	2,220,503		462,529
Increase in payables	(386,275)		(204,508)
(Increase) / Decrease in amount owing by related companies	(200,565)		23,728
Increase / (Decrease) in amount owing to related companies	129,745		(1,033,756)
Cash generated from / (used in) operating activities	1,914,755		(525,381)
Withholding tax paid	(61,290)		(11,800)
Net cash (used in)/generated from operating activities		1,853,465	(537,181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income from related company	230,038		220,836
Loan to related company	(207,660)		(1,187,280)
Repayment of loan by related party	-		454,864
Net cash (used in) / generated from investing activities		22,378	(511,580)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,875,843	(1,048,761)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		907,644	1,956,405
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>2,783,487</u>	<u>907,644</u>

The notes on pages 13 to 20 form an integral part of the financial statements

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NIIT (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021**

1. GENERAL INFORMATION

The Company is a private company incorporated under the Companies Act, 2016 and domiciled in Malaysia.

The Company is principally engaged in the provision of management services in education and training. There have been no significant changes in the nature of its activities during the financial year.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

The financial statements were authorised for issue by the Board of Directors on 17th May 2021.

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") issued by Malaysian Accounting Standards Board (MASB), the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standard Board ("IASB") and the provisions of the Companies Act, 2016.

3. BASIS OF PREPARATION

(a) Statement of Compliance

The financial statements have been prepared on a historical cost basis except those disclosed below in the accounting policies in accordance with the Malaysian Financial Reporting Standards (MFRS) and the Companies Act, 2016.

The new and amended standard and interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB") which became effective during the year is :-

- Amendments to MFRS 3 Business Combinations – Definition of business
- Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 7 Financial Instruments: Disclosures – Interest Rate Benchmark Reform
- Amendments to MFRS 9 Financial Instruments – Interest Rate Benchmark Reform
- Amendments to MFRS 16 Leases – COVID-19 Related Rent Concessions
- Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors- Definition of material

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3. BASIS OF PREPARATION (CONT'D)

(a) Statement of Compliance (Cont'd)

- Amendments to MFRS 139 Financial Instruments: Recognition and Measurement – Interest Rate Benchmark Reform

Adoption of the above standard and interpretation did not have any effect on the financial performance of the Company for the financial year ended 31st March 2021.

(b) New and amended standards issued but not yet effective

New and amended standards issued but not yet effective up to the date of issuance of these financial statements are as follows :-

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards – Annual Improvements to MFRS Standards 2018 - 2020	1st January 2022
Amendments to MFRS 3 Business Combination- Definition of a Business – Reference to the Conceptual Framework	1st January 2022
Amendments to MFRS 9 Financial Instruments – Interest Rate Benchmark Reform Phase 2	1st January 2022
Amendments to MFRS 9 Financial Instruments – Annual improvements to MFRS Standards 2018 – 2020	1st January 2022
Amendments to MFRS 17 Insurance Contracts	1st January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non- Current	1st January 2023
Amendments to MFRS 116 Property, Plant and Equipment – Property , Plant and Equipment – Proceeds before Intended Use	1st January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1st January 2022
Amendments to MFRS 141 Agriculture- Annual Improvements to MFRS Standards 2018 - 2020	1st January 2022

In the opinion of the Directors, the above standards and interpretations will not have material impact on the financial statements in future periods.

(c) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. The policy for recognition and measurement of impairment losses is set out in Note 3 (d).

Depreciation is provided on the straight-line method at rates calculated to write off the cost of the assets over their estimated useful lives. Depreciation of an asset commences when the asset is ready for its intended use. The principal annual rates for computers are 33%.

3. BASIS OF PREPARATION (CONT'D)

(d) Impairment of Assets

The carrying values of assets are reviewed for impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(e) Receivables

Receivables are carried at anticipated realizable values. Known bad debts are written off and specific allowance is made against accounts which are doubtful of collection.

(f) Payables

Payables are stated at cost which is the fair value of the consideration for goods and services received.

(g) Share Capital

Ordinary shares are classified as equity instruments.

Distributions to holders of an equity instrument are recognized as equity transactions and are debited directly in equity, net of any related income tax effect.

(h) Income tax

Income tax for the year comprises current year income tax and deferred taxation. Current year income tax is the expected amount of income tax payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

(i) Deferred taxation

Deferred taxation is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unabsorbed tax losses and unutilised capital allowances to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unabsorbed tax losses and unutilised capital allowances can be utilised.

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3. BASIS OF PREPARATION (CONT'D)

(i) Deferred taxation (Cont'd)

Deferred taxation is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted at the balance sheet date.

(j) Revenue recognition

(i) Sales of service

Revenue from sales of services is recognised based on percentage of completion method. The stage of completion of a service contract is measured by reference to the proportion that contract costs incurred for work performed to date to the estimated total cost for the contract.

The revenue from time and material contracts is recognised on a one person's working time for a month

Irrespective of whether the outcome of a service contract can be estimated reliably when it is probable that total contract cost will exceed total contract revenue the expected loss is recognised as an expense immediately.

The aggregate of the cost incurred and the attributable profit/loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where cost incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as 'amounts due from customers on contracts' under trade and other receivables. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as 'Amount due to customers on contracts' under trade and other payables.

Vendor management or learning administration fee from pass through transactions is only recognised as revenue.

(ii) Interest income

Interest income is recognised on the accrual basis unless collection is in doubt.

(k) Employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

The Company's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

Liability in respect of compensated absences is provided for any unused leave balance encashable at the rate of salary on the last working day.

(l) Foreign Currency Translation

Foreign currency transactions are translated into Ringgit Malaysia at rates ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at rates ruling at the balance sheet date. All the exchange differences are dealt with in the income statement.

Gain or losses from conversation of short term assets and liabilities, whether realised or unrealised, are included in operating profits as they arise.

3. BASIS OF PREPARATION (CONT'D)

(l) Foreign Currency Translation (Cont'd)

The principal closing rates used in translating foreign currency amount are as follows:-

Foreign currency	Closing rates	
	2021	2020
	RM	RM
US Dollar	4.143	4.314
Euro Dollars	4.865	4.756
Sterling Pound	5.716	5.373
Singapore Dollar	3.082	3.034

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances with bank and short term highly liquid investment which are readily convertible to known amount of cash with an insignificant risk of changes in value, net of outstanding bank overdraft.

4. PROPERTY, PLANT & EQUIPMENT

	Computers
	RM
Carrying amount as at 1st April 2020	NIL
Depreciation	NIL
Carrying amount as at 31st March 2021	NIL
<u>As at 31st March 2021</u>	
Cost	27,956
Accumulated depreciation	(27,956)
Carrying amount	NIL
<u>As at 31st March 2020</u>	
Cost	27,956
Accumulated depreciation	(27,956)
Carrying amount	NIL

5. TRADE RECEIVABLES

	<u>2021</u>	<u>2020</u>
	RM	RM
Trade receivables	2,317,034	4,538,608
Less		
Allowance for doubtful debts	2,145,081	2,145,081
	<u>171,953</u>	<u>2,393,527</u>

6. AMOUNT OWING BY RELATED COMPANIES

The amount owing by related companies is made up as follows : -

	<u>2021</u>	<u>2020</u>
	RM	RM
Interest bearing	4,094,293	3,846,173
Non - interest bearing	359,777	159,211
	<u>4,454,070</u>	<u>4,005,384</u>

The amount owing by related companies is unsecured. Interest charged is 5.5% per annum on RM 932,108 (USD 225,000) [2020: RM 754,968 (USD 175,000)] and 7% per annum on RM 3,162,185 (Euro 650,000) [2020: RM 3,091,205 (Euro 650,000)].

7. SHARE CAPITAL

	<u>2021</u>	<u>2020</u>
	RM	RM
Issued and Fully paid		
5,541,000 ordinary shares (2020 : 5,541,000 ordinary shares)	<u>5,541,000</u>	<u>5,541,000</u>

8. RETAINED PROFITS

The retained profits of the Company are available for distributions by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

9. AMOUNT OWING TO RELATED COMPANIES

The amount owing to related companies is unsecured, trade in nature and interest free.

10. PROFITS FOR THE YEAR BEFORE TAXATION

	2021 RM	2020 RM
Profits for the year is arrived at after charging :-		
Auditors' remuneration	16,000	16,000
Realised loss in foreign exchange	29,051	-
Increase/ (Decrease) in provision for leave encashment	(850)	1,510
	<u> </u>	<u> </u>
And crediting : -		
Interest charged to a related company	230,038	220,836
Realised gain on foreign exchange	-	36,524
Unrealised gain on foreign exchange	36,278	202,413
	<u> </u>	<u> </u>

11. TAXATION

	2021 RM	2020 RM
Withholding tax expense	(61,290)	(11,799)
Reversal of deferred tax asset	(45,580)	(54,011)
Tax expenses	<u>(106,870)</u>	<u>(65,810)</u>

The reconciliation of the tax expense and the product of accounting profits multiplied by the applicable income tax rate is as follows :-

	2021 RM	2020 RM
Profits before tax	<u>418,513</u>	<u>648,365</u>
Tax at applicable standard rate of 24%	(100,443)	(155,608)
Tax effects of :		
Income not taxable	75,630	101,580
Tax saving on utilisation of unabsorbed capital allowances and business loss	24,813	54,028
Withholding tax expense	(61,290)	(11,799)
Addition of deferred tax asset	(45,580)	(54,011)
Tax expenses	<u>(106,870)</u>	<u>(65,810)</u>

As at 31st March 2021, the Company has unabsorbed tax losses and capital allowances amounting to RM7,711,959 (2020: RM7,815,348) which are available for set off against future chargeable income.

12. DEFERRED TAXATION

The Company has potential deferred tax benefits not taken up in the Financial Statements in respect of the following:-

	2021 RM	2020 RM
Unabsorbed business losses (Pioneer)	4,518,880	4,518,880
Unabsorbed capital allowances	1,610,731	1,610,731
Unabsorbed business losses (Normal)	1,582,348	1,685,737
	<u>7,711,959</u>	<u>7,815,348</u>
Potential tax benefit at 24%	<u>1,850,870</u>	<u>1,875,684</u>

13. RELATED PARTY TRANSACTIONS

During the financial year, the Company had the following related party transactions : -

	2021 RM	2020 RM
Interest charged to related company	230,038	220,836
Purchases of services from related companies	76,840	236,627
Management fee charged by related companies	38,243	71,751
Sales of services to related companies	622,721	183,984
Loan to related party	207,660	1,187,280
Repayment of loan by related party	-	454,864
	<u></u>	<u></u>

14. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

COVID-19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. In preparation of these financial results, the Company has performed sensitivity analysis on the assumptions used and considered all the possible impacts of COVID-19 on the carrying value of its assets. Based on current estimates the Company expects that the carrying value of these assets will be recovered. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements.

The Company will continue to monitor any material changes to the operations based on future economic conditions owing to the nature and duration of COVID-19. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

NIIT (MALAYSIA) SDN. BHD.

(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021**

	2021		2020
	RM	RM	RM
REVENUE		1,225,041	<u>2,856,843</u>
Less			
COST OF SERVICES			
Sub-contract charges	187,533		1,842,623
Training management services	391,001		72,211
Salaries and wages	344,906		422,720
Increase in provision for leave encashment	<u>-</u>		<u>1,510</u>
		923,440	<u>2,339,064</u>
GROSS PROFITS		301,601	<u>517,779</u>
Add			
OTHER INCOME			
Interest charged to related companies	230,038		220,836
Realised gain on foreign exchange	-		36,524
Unrealised gain on foreign exchange	36,278		202,413
Decrease in provision for leave encashment	<u>850</u>		<u>-</u>
		267,166	<u>459,773</u>
		<u>568,767</u>	<u>977,552</u>
Less			
ADMINISTRATION EXPENSES			
Professional charges	69,846		163,026
Realised loss in foreign exchange	29,051		-
Directors' fee	19,000		19,000
Auditors' remuneration	16,000		16,000
Royalties	6,126		14,284
Sundry expenses	4,658		15,386
Staff welfare	3,400		2,079
Travelling expenses	1,419		99,412
Insurance expenses	636		-
Printing and stationery	<u>118</u>		<u>-</u>
		150,254	<u>329,187</u>
PROFITS FOR THE YEAR BEFORE TAXATION		<u>418,513</u>	<u>648,365</u>