

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

**FINANCIAL STATEMENTS - 31ST MARCH 2020**

**LLOYDS EARLE PANICKER & TAN**  
Chartered Accountants  
AF 0604

**COMPANY NO. : 199701002652 (418148-D)**

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

**FINANCIAL STATEMENTS - 31ST MARCH 2020**

<b>CONTENTS</b>	<b>PAGE NO.</b>
CORPORATE INFORMATION	1
REPORT OF THE DIRECTORS	2 - 4
STATEMENT BY DIRECTORS	5
STATUTORY DECLARATION	5
INDEPENDENT AUDITORS' REPORT	6 - 8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
STATEMENT OF CHANGES IN EQUITY	11
STATEMENT OF CASH FLOWS	12
NOTES TO THE FINANCIAL STATEMENTS	13 - 20

**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 31.3.2020	: 5
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 2020.

### **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 RM582,555.
- (b) In the opinion of the Directors, the results of the Company's operations for the financial year ended 31st March 2020 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 2020, 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 :-

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

- (b) Throughout the year ended 31st March 2020, 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 amounted 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 2020 amounted to RM16,000.

Signed in accordance with a resolution of the Directors,

.....  
AMIT ROY  
(Director)

.....  
KAMAL NAIN DHUPER  
(Director)

Dated : 28th May 2020  
Kuala Lumpur.

**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 provision 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 2020 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 : 28th May 2020  
Kuala Lumpur.

**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 2020, 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 2020, 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' Code of Ethics for Professional Accountants ("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.

**COMPANY NO. : 199701002652 (418148-D)**

*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  
00888/05/2020 J

Dated : 29th May 2020  
Kuala Lumpur

**COMPANY NO. : 199701002652 (418148-D)**

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

**STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2020**

	NOTES	2020	2019
		RM	RM
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	-	-
Deferred tax asset		122,699	176,710
		<u>122,699</u>	<u>176,710</u>
<b>CURRENT ASSETS</b>			
Trade receivables	5	2,393,527	2,862,477
Non-trade receivables		12,596	5,367
Amount owing by related companies	6	4,005,384	3,187,979
Cash and bank balances		<u>907,644</u>	<u>1,956,405</u>
		7,319,151	8,012,228
<b>TOTAL ASSETS</b>		<u>7,441,850</u>	<u>8,188,938</u>
		=====	=====
<b>EQUITY</b>			
Share capital	7	5,541,000	5,541,000
Retained profits	8	1,008,705	426,150
		<u>6,549,705</u>	<u>5,967,150</u>
			-----
<b>CURRENT LIABILITIES</b>			
Trade payables		206,909	214,228
Non-trade payables and accruals		597,176	885,744
Amount owing to related companies	9	<u>88,060</u>	<u>1,121,816</u>
<b>TOTAL LIABILITIES</b>		892,145	2,221,788
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>7,441,850</u>	<u>8,188,938</u>
		=====	=====

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

**COMPANY NO. : 199701002652 (418148-D)**

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2020**

	2020		2019
	RM	RM	RM
REVENUE		2,856,843	2,355,798
COST OF SERVICES		(2,339,064)	(1,919,064)
GROSS PROFITS		517,779	436,734
OTHER INCOME		459,773	375,950
ADMINISTRATION EXPENSES		(329,187)	(624,884)
PROFITS FOR THE YEAR BEFORE TAXATION		648,365	187,800
PROFITS FOR THE YEAR IS ARRIVED AT AFTER CHARGING :-			
Auditors' remuneration	16,000		13,000
Depreciation on property, plant and equipment	-		7,596
Unrealised loss on foreign exchange	-		399,758
Provision for compensated leaves	1,510		540
	=====		=====
AND CREDITING :-			
Interest charged to a related company	220,836		136,884
Realised gain on foreign exchange	36,524		239,066
Unrealised gain in foreign exchange	202,413		-
	=====		=====
TAXATION (Note 10)		(65,810)	173,939
PROFITS FOR THE YEAR AFTER TAXATION		582,555	361,739
		=====	=====

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

**COMPANY NO. : 199701002652 (418148-D)**

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2020**

	2020	2019
	RM	RM
<b>SHARE CAPITAL</b>		
At the beginning and the end of the year	5,541,000	5,541,000
	-----	-----
<b>RETAINED PROFITS</b>		
At the beginning of the year	426,150	64,411
Profit for the year after taxation	582,555	361,739
	-----	-----
At the end of the year	1,008,705	426,150
	-----	-----
<b>TOTAL SHAREHOLDERS' EQUITY AT THE END OF THE YEAR</b>	6,549,705	5,967,150
	=====	=====

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

**COMPANY NO. : 199701002652 (418148-D)**

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

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2020**

	2020		2019
	RM	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profits for the year before taxation	648,365		187,800
Adjustment for :			
Depreciation of property, plant and equipment	-		7,596
Interest income	(220,836)		(136,884)
Unrealised (gain) / loss on foreign exchange	(202,413)		399,758
Provision for compensated leaves	1,510		540
Operating profit before working capital changes	226,626		458,810
Decrease / (increase) in receivables	462,529		(1,422,634)
(Decrease) / increase in payables	(204,508)		223,876
Decrease in amount owing by related companies	23,728		2,207
Increase in amount owing to related companies	(1,033,756)		(183,656)
Cash used in operating activities	(525,381)		(921,397)
Withholding tax paid	(11,800)		(2,771)
Net cash used in operating activities		(537,181)	(924,168)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income from related company	220,836		136,884
Loan to related party	(1,187,280)		(2,403,350)
Repayment of loan by related party	454,864		2,664,343
Net cash (used in) / generated from investing activities		(511,580)	397,877
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(1,048,761)	(526,291)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		1,956,405	2,482,696
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		907,644	1,956,405
	=====	=====	=====

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

**COMPANY NO. : 199701002652 (418148-D)**

**NIIT (MALAYSIA) SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2020**

**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 28th May 2020.

**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 :-

- MFRS 16 Leases

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 2020.

### 3. BASIS OF PREPARATION (CONT'D)

**(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
MFRS 3 Business Combination – Definition of Business	1st January 2020
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1st January 2020
Amendments to MFRS 2 Share-Based Payment	1st January 2020
Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1st January 2020
Amendments to MFRS 14 Regulatory Deferral Accounts	1st January 2020
Amendments to MFRS 134 Interim Financial Reporting	1st January 2020
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1st January 2020
Amendments to MFRS 138 Intangible Assets	1st January 2020
MFRS 17 Insurance Contracts	1st January 2021

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%.

**(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.



### 3. BASIS OF PREPARATION (CONT'D)

**(d) Impairment of Assets (Cont'd)**

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.

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.

**3. BASIS OF PREPARATION (CONT'D)**

**(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 Man-Month basis.

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	
	2020	2019
	RM	RM
US Dollar	4.314	4.083
Euro Dollars	4.756	4.582
Sterling Pound	5.373	5.325
Singapore Dollar	3.034	2.988
	=====	=====

#### (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 2019	NIL
Depreciation	NIL
	=====
Carrying amount as at 31st March 2020	NIL
	=====
<u>As at 31st March 2020</u>	
Cost	27,956
Accumulated depreciation	(27,956)
	=====
Carrying amount	NIL
	=====
<u>As at 31st March 2019</u>	
Cost	27,956
Accumulated depreciation	(27,956)
	=====
Carrying amount	NIL
	=====

**COMPANY NO. : 199701002652 (418148-D)**

**5. TRADE RECEIVABLES**

	2020	2019
	RM	RM
Trade receivables	4,538,608	5,007,558
Less		
Allowance for doubtful debts	2,145,081	2,145,081
	<u>2,393,527</u>	<u>2,862,477</u>
	=====	=====

**6. AMOUNT OWING BY RELATED COMPANIES**

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

	2020	2019
	RM	RM
Interest bearing	3,846,173	3,005,040
Non-interest bearing	159,211	182,939
	<u>4,005,384</u>	<u>3,187,979</u>
	=====	=====

The amount owing by related companies is unsecured. Interest charged on the interest bearing loan is 5.5% and 7% per annum.

**7. SHARE CAPITAL**

	2020	2019
Issued and Fully Paid :		
5,541,000 (2019 : 5,541,000) ordinary shares	5,541,000	5,541,000
	=====	=====

**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.

**COMPANY NO. : 199701002652 (418148-D)**

## **9. AMOUNT OWING TO RELATED COMPANIES**

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

## **10. TAXATION**

	2020	2019
	RM	RM
Withholding tax expense	(11,799)	(2,771)
(Reversal) / Addition of deferred tax asset	(54,011)	176,710
Tax expenses	(65,810)	173,939
	=====	=====

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

	2020	2019
	RM	RM
Profits before tax	648,365	187,800
	=====	=====
Tax at applicable standard rate of 24%	(155,608)	(45,072)
Tax effects of :		
Tax effect on expenses not deductible for tax purposes	-	(97,765)
Income not taxable	101,580	32,852
Tax saving on utilisation of unabsorbed capital allowances and business loss	54,028	109,985
Withholding tax expense	(11,799)	(2,771)
(Addition) / reversal of deferred tax asset	(54,011)	176,710
Tax expenses	(65,810)	173,939
	=====	=====

As at 31st March 2020, the Company has unabsorbed tax losses and capital allowances amounting to RM7,575,297 (2019: RM8,002,800) respectively which are available for set off against future chargeable income.

## **11. DEFERRED TAXATION**

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

	2020	2019
	RM	RM
Unabsorbed business losses (Pioneer)	4,518,880	4,518,880
Unabsorbed capital allowances	1,798,183	1,798,183
Unabsorbed business losses (Normal)	1,258,234	1,685,737
	<u>7,575,297</u>	<u>8,002,800</u>
	=====	=====
Potential tax benefit at 24%	1,818,071	1,920,672
	=====	=====

## **12. RELATED PARTY TRANSACTIONS**

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

	2020	2019
	RM	RM
Interest charged to related company	220,836	136,884
Purchases of services from related companies	236,627	341,108
Management fee charged by related companies	71,751	69,962
Sales of services to related companies	183,984	-
Loan to related party	1,187,280	2,403,350
Repayment of loan by related party	454,864	2,664,343
	=====	=====

## **13. POST BALANCE SHEET EVENTS**

COVID-19 pandemic has severely impacted businesses around the world and is causing a slowdown of economic activity. Requirements of social distancing and various restrictions imposed by government across geographies, have caused unprecedented disruptions to normal business operations.

The Company has carried out detailed assessment of its liquidity position and possible effects that may result from COVID-19 on the carrying value of its assets including investment, property plant & equipment, intangible assets trade receivables, unbilled revenue and deferred tax assets etc. as at the date of financial statement.

In developing the assumption relating to possible future uncertainties due to pandemic, the Company, as on the date of approval of these financial statements has relied on the available information.

The Company has performed sensitivity analysis on the assumptions used and based on the detailed evaluation of the current estimates expect that there is no significant impact on the carrying value of these assets as on 31st March 2020.

The actual impact of COVID 19 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 2020**

	2020		2019
	RM	RM	RM
REVENUE		2,856,843	2,355,798
Less			-----
COST OF SERVICES			
Sub-contract charges	1,842,623		1,302,835
Training management services	72,211		341,108
Salaries and wages	422,720		274,581
Increase in provision for leave encashment	1,510		540
		2,339,064	1,919,064
GROSS PROFITS		517,779	436,734
			-----
Add			
OTHER INCOME			
Interest charged to related companies	220,836		136,884
Realised gain on foreign exchange	36,524		239,066
Unrealised gain on foreign exchange	202,413		-
		459,773	375,950
		977,552	812,684
			-----
Less			
ADMINISTRATION EXPENSES			
Professional charges	163,026		102,422
Travelling expenses	99,412		59,970
Director's fee	19,000		19,000
Auditors' remuneration	16,000		13,000
Sundry expenses	15,386		9,424
Royalties	14,284		11,779
Staff welfare	2,079		1,935
Unrealised loss in foreign exchange	-		399,758
Depreciation on property, plant and equipment	-		7,596
		329,187	624,884
PROFITS FOR THE YEAR BEFORE TAXATION		648,365	187,800
		=====	=====

