

**Ali Salem Alothri**  
Chartered Accountants  
License No. 688  
Kingdom of Saudi Arabia



**علي سالم العذري**  
محاسبون قانونيون  
ترخيص رقم ٦٨٨  
المملكة العربية السعودية

**3i INFOTECH SAUDI ARABIA CO. LTD.**  
**(FOREIGN LIMITED)**  
**RIYADH - SAUDI ARABIA**

**FINANCIAL STATEMENTS**  
**31 MARCH 2022**



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**3i INFOTECH SAUDI ARABIA CO. LTD.**  
**(FOREIGN LIMITED)**  
**RIYADH - SAUDI ARABIA**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2022**

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## Independent Auditor's Report

**To the Partners of 3i Infotech Saudi Arabia Co. Ltd.  
Foreign Limited  
Riyadh, Saudi Arabia**

### **Qualified Opinion**

We have audited the financial statements of **3i Infotech Saudi Arabia Co. Ltd., (Foreign Limited)**, Riyadh, Saudi Arabia ("the Company") which comprise the statement of financial position as at 31 March 2022 and the statement of comprehensive income, statement of changes in partners' equity and statement of cash flows for the year then ended, and notes to the financial statements 1-21 including a summary of significant accounting policies.

In our opinion, except for effects of the matters described in Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **3i Infotech Saudi Arabia Co. Ltd., (Foreign Limited)**, Riyadh, Saudi Arabia which comprise the statement of financial position as at 31 March 2022, and its financial performance, its cash flows for the year then ended in accordance with International Financial Reporting Standards for the Small and Medium sized Enterprises (IFRS for SMEs), and other versions endorsed by Saudi Organization for Certified Public Accountants (SOCPA).

### **Basis for qualified Opinion**

The accumulated loss of the Company amounting to S.R. 35,037,069 has exceeded 50% of the capital due to an entry passed by the Board of Directors as described in Matter of Emphasis paragraph. Hence directors of the Company are required to take certain legal steps in accordance with Article 181 of the Companies' Regulation. The Company shall be deemed to resolve if these legal requirements are not complied with. The Board of Directors have resolved on 15 June 2022 to support the continuation of the operation of the Company.

As required by IFRS 5, 33C and 34 net cash flows attributable to the operating, investing and financing activities of the discontinued operations have not been disclosed during last year.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities* for the audit of the *Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Saudi Arabia 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 qualified opinion.

### **Matter of Emphasis**

The Board of Directors of the Company have resolved on 15 June 2022 to transfer a sum of S.R. 42,236,369 from retained earnings to the credit of related party.

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### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs, endorsed by SOCPA and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

3i Infotech Saudi Arabia Co. Ltd. for the year ended 31 March 2022

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- 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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.

#### **Report on Other Legal & Regulatory Requirements**

We are also of the opinion that the preparation and presentation of the above financial statements comply with the Companies' Regulations and the Articles of Association of the Company and are in agreement with the computerised accounting records which are maintained by the Company in accordance with the related commercial books regulations.

**Ali Salem Alothri**



**Chartered Accountants**  
**License No. 688**  
Riyadh, 26/07/2022



3i Infotech Saudi Arabia Co. Ltd. for the year ended 31 March 2022

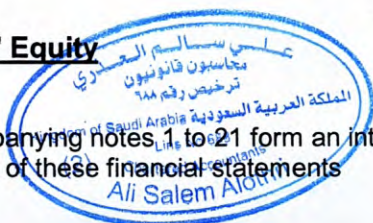
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**EXHIBIT-A**  
**3i INFOTECH SAUDI ARABIA CO. LTD.**  
**(FOREIGN LIMITED)**  
**RIYADH - SAUDI ARABIA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

<b>ASSETS</b>	<b>Note</b>	<b>31/03/2022</b>	<b>31/03/2021</b>
		<b>S.R.</b>	<b>S.R.</b>
<b>Current Assets</b>			
Cash and cash equivalents	3	355,456	1,084,756
Accounts receivable	4	16,980,379	876,390
Deposits and advances		2,271,839	2,547,451
Accrued income		1,392,287	681,676
Prepayments	5	185,946	139,190
Deferred tax assets	8	321,349	1,133,143
		-----	-----
Assets held for sale	6	21,507,256	6,462,606
		--	28,159,321
		-----	-----
<b>Total Current Assets</b>		<b>21,507,256</b>	<b>34,621,927</b>
<b>Non-Current Assets</b>			
Property and equipment	7	2,862	7,665
		-----	-----
<b>Total Assets</b>		<b>21,510,118</b>	<b>34,629,592</b>
		=====	=====
<b>LIABILITIES AND PARTNERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable	8	45,038,050	3,969,279
Advances from customers		28,494	11,113
Deferred income		33,959	253,807
Accruals		1,768,336	1,291,713
VAT payable		189,348	1,957,814
Provision for income tax and withholding tax	9	7,706,644	10,829,606
		-----	-----
		54,764,831	18,313,332
Liabilities directly associated with the assets held for sale	6	--	6,613,030
		-----	-----
<b>Total Current Liabilities</b>		<b>54,764,831</b>	<b>24,926,362</b>
<b>Non-Current Liabilities</b>			
Provision for employees end of service benefit	10	1,032,356	277,342
		-----	-----
<b>Total Liabilities</b>		<b>55,797,187</b>	<b>25,203,704</b>
		-----	-----
<b>Partners' Equity</b>			
Capital	11	500,000	500,000
Statutory reserve	12	250,000	250,000
Accumulated (loss)/retained earnings		(35,037,069)	8,675,888
		-----	-----
<b>Total Partners' Equity</b>		<b>(34,287,069)</b>	<b>9,425,888</b>
		-----	-----
<b>Total Liabilities and Partners' Equity</b>		<b>21,510,118</b>	<b>34,629,592</b>
		=====	=====

The accompanying notes 1 to 21 form an integral part of these financial statements



**EXHIBIT-B**  
**3i INFOTECH SAUDI ARABIA CO. LTD.**  
**(FOREIGN LIMITED)**  
**RIYADH - SAUDI ARABIA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<u>Note</u>	<u>2021/2022</u> <u>S.R.</u>	<u>2020/2021</u> <u>S.R.</u>
Revenue		10,765,871	6,737,370
Operating expenses	13	(8,205,297)	(12,074,499)
<b><u>Gross operating profit/(loss)</u></b>		<u>2,560,574</u>	<u>(5,337,129)</u>
Selling and marketing expenses		(25,986)	(3,491)
General and administration expenses	14	(3,424,115)	(1,442,234)
Gain on disposal of property and equipment	15	--	17,391
Foreign currency (loss)		(2,886)	(133,860)
Bad debts (provided)/written back		(310,350)	753,429
Gain on sale of discontinued operation	16	486,522	--
Over accrual of expenses		11,715	--
Other income		97,759	58,169
<b><u>Net (loss) before tax</u></b>		<u>(606,767)</u>	<u>(6,087,725)</u>
Income tax – provided	9	(249,079)	(1,499,622)
Withholding tax	9	(35,540)	(4,649,183)
<b><u>Net (loss) after tax from continued operations</u></b>		<u>(891,386)</u>	<u>(12,236,530)</u>
<b><u>Discontinued operations</u></b>			
Profit from discontinued operations	6	--	10,730,242
<b><u>Net (loss) for the year</u></b>		<u>(891,386)</u>	<u>(1,506,288)</u>
<b><u>Other Comprehensive Income</u></b>			
Re-measurement (loss)/gain on end of service benefit		(587,531)	75,918
<b><u>Total Comprehensive (loss) for the year after tax</u></b>		<u>(1,478,917)</u>	<u>(1,430,370)</u>



The accompanying notes 1 to 21 form an integral part of these financial statements

**EXHIBIT-D**  
**3i INFOTECH SAUDI ARABIA CO. LTD.**  
**(FOREIGN LIMITED)**  
**RIYADH - SAUDI ARABIA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<u>2021/2022</u>	<u>2020/2021</u>
	<u>S.R.</u>	<u>S.R.</u>
<b>Cash flows from operating activities</b>		
Net (loss) for the year before income tax from continued operations	(606,767)	(6,087,725)
Net profit from discontinued operation	--	10,730,242
	-----	-----
	(606,767)	4,642,517
Prior year correction	2,329	(30,308)
Depreciation charge for the year	4,803	15,725
WHT adjustment	280,761	2,166
(Profit) on disposal of property and equipment	--	(17,391)
Provision for bad debts	171,071	--
Provision for employees' end of service benefit	252,766	73,820
	-----	-----
Operating profit before working capital changes	104,963	4,686,529
(Increase)/decrease in accounts receivable	(7,070,775)	9,510,406
Decrease/(increase) in deposits and advances	383,549	(118,942)
Decrease/(increase) in accrued income	18,125,023	(2,396,578)
(Increase)/decrease in prepayments	(46,756)	100,800
(Decrease)/increase in accounts payable	(1,167,598)	3,169,513
Increase/(decrease) in advance from customers	17,381	(83,244)
(Decrease) in deferred income	(2,172,232)	(437,885)
(Decrease)/increase in VAT payable	(1,768,466)	1,793,111
(Decrease)/increase in accruals	(3,842,144)	3,693,961
	-----	-----
Cash generated from operating activities	2,562,945	19,917,671
Income tax and withholding tax paid	(2,876,548)	(18,911,949)
Employees' end of service benefit of discontinued operation	(341,879)	--
Employees' end of service benefit paid and over provided	(85,283)	(42,013)
	-----	-----
<i>Net cash (used in)/generated from operating activities</i>	(740,765)	963,709
<b>Cash flows from investing activities</b>		
Property and equipment transferred to discontinued operation	11,465	--
Proceeds on sale of property and equipment	--	17,391
	-----	-----
<i>Net cash generated from investing activities</i>	11,465	17,391
	-----	-----
<b>Net (decrease)/increase in cash and cash equivalents</b>	(729,300)	981,100
<b>Cash and cash equivalents at beginning of the year</b>	1,084,756	103,656
	-----	-----
<b>Cash and cash equivalents at end of the year</b>	355,456	1,084,756
	=====	=====



The accompanying notes 1 to 21 form an integral part of these financial statements



**EXHIBIT-C**  
**3i INFOTECH SAUDI ARABIA CO. LTD.**  
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**STATEMENT OF CHANGES IN PARTNERS' EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<u>2021/2022</u> <u>S.R.</u>	<u>2020/2021</u> <u>S.R.</u>
<b>Capital</b>		
Beginning of the year	500,000	500,000
<b>End of the year</b>	500,000	500,000
<b>Statutory Reserve</b>		
Beginning of the year	250,000	250,000
<b>End of the year</b>	250,000	250,000
<b>Accumulated (Loss) / Retained Earnings</b>		
Beginning of the year	8,675,888	10,136,566
Prior year correction	2,329	(30,308)
Balance transfer to related party	(42,236,369)	--
Total comprehensive (loss) for the year	(1,478,917)	(1,430,370)
<b>End of the year</b>	(35,037,069)	8,675,888
<b>Total Partners' Equity</b>	<b>(34,287,069)</b>	<b>9,425,888</b>



The accompanying notes 1 to 21 form an integral part of these financial statements

**3i INFOTECH SAUDI ARABIA CO. LTD.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**31 MARCH 2022**

**1. STATUS AND ACTIVITIES OF THE COMPANY**

3i Infotech Saudi Arabia Co. Ltd., (Foreign Limited) (the Company) is registered in Riyadh, Saudi Arabia, as a Saudi Limited Liability Company with foreign capital under Commercial Registration No. 1010291105 dated 22/07/1431H corresponding to 04/07/2010G.

The main objectives of the Company are to engage in providing the software programs and solutions, programs for banking services through Internet and programs for customer services management in accordance with the Licence No. 122029104822 of 20/10/1427H corresponding to 11/11/2006G issued by Saudi Arabian General Investment Authority (SAGIA).

The Company operates a branch, registered in Al Khobar, Saudi Arabia, under Commercial Registration No. 2051049724 dated 27/08/1433H corresponding to 17/07/2012G.

These financial statements include operating activities of the Head Office and the Branch.

On 28 December 2020 the Partners of the Company have entered in to an agreement to sell the major products of the Company to Azentio Software Private Limited, a Singapore registered company, with effect from 01 April 2020.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1) BASIS OF PREPARATION**

The principal accounting policies adopted in the preparation of the financial statements are set out in note 2.3. The Company has consistently applied the same accounting policies throughout all periods presented.

**2.1.1) Statement of Compliance**

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), issued by the International Accounting Standard Board (IASB) as endorsed by Saudi Organisation for Certified Public Accountants (SOCPA).

**2.2) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.



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**Judgments**

In the process of applying the Company's accounting policies, management has made various judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the Financial Statements.

**Estimates and Assumptions**

The presentation of financial statements in conformity with IFRS for SMEs as endorsed by SOCPA requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dated the financial statements. This involves the estimation of bad debts, deferred income, accrued income, and life of property and equipment for the purpose of calculating the depreciation. Although these estimates are based on management's best knowledge of current events and actions, actuals ultimately may differ from those estimates.

**2.3) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Company are set out below.

**2.3.1) Foreign Currency Translation**

The financial statements are presented in Saudi Riyals, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the dated the transaction. Monetary assets and liabilities expressed in foreign currencies at the statement of financial position date are translated into Saudi Riyals at the rates prevailing at the statement of financial position date. Any gains and losses arising out of these are credited or charged to the results of the year /period in which they arise. Non-monetary items measured at historical cost and expressed in foreign currencies are translated using the exchange rates at the date when these were acquired.

**2.3.2) Cash and Cash Equivalents**

Cash and cash equivalents consist of bank balances, cash in hand and investments that are readily convertible into known amounts of cash and have a maturity of three months or less when purchased.

For the purpose of cash flow statement cash and cash equivalents consist of cash and equivalents as defined above.



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**31 MARCH 2022**

**2.3.3) Accounts Receivable**

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Bad debts are written off when determined and approved by the Board of Directors.

**2.3.4) Property and Equipment**

Property and equipment is recognised initially at cost. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of property and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated depreciation percentages range as follows:

Motor vehicles	9.5%
Computer equipment	16.21%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An item of property and equipment is derecognised when it is sold or when not further economic benefits are expected from its use or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.



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**2.3.5) Operating Leases**

Rental expenses under operating leases are charged in the statement of income on a straight-line basis over the period of respective lease terms.

At the commencement date of the lease, the Branch recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating a lease, if the lease term reflects the Branch exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment to purchase the underlying asset.

**2.3.6) Assets Impairment**

At each reporting date, property and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

**2.3.7) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The borrowings are classified as a current liability when the remaining maturity is less than 12 months.

**2.3.8) Borrowing Costs**

Borrowing cost directly attributable to acquisition, construction or productions of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended uses, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in profit or loss in the year in which they are incurred.



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**2.3.9) Accounts Payable and Accruals**

Liabilities are recognized and accrued at fair value for amounts to be paid in the future for goods received or services rendered, whether billed by the supplier or not.

**2.3.10) Revenue and Expense Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts. The following specific criteria are used for the purpose of recognition of revenue.

**Rendering of Services**

Revenue represents the invoiced value of services rendered by the Company net of discounts, if any, accrued revenue applicable for the year and net of reimbursable cost.

**Expenses**

Expenses are recognized when incurred.

**2.3.11) Employees' Benefits**  
**Short-term Obligations**

Liabilities for wages and salaries, including non-monetary benefits and accumulating leaves, air fare etc that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

**Employees' end of service benefit**

The liability or asset recognized in the statement of financial position in respect of the defined end of service benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method.



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**2.3.12) Related Party Relationship and Transactions**

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

**2.3.13) Impairment and Uncollectibility of Financial Assets**

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exist, any impairment loss is recognised in the income statement.

**2.3.14) Income Tax**

Income tax is provided in the financial statements in accordance with Zakat, Tax and Customs Authority (ZATCA) regulations in the Kingdom of Saudi Arabia. Income tax is charged to the statement of comprehensive income. Additional income tax liabilities, if any, related to prior years' assessments arising from ZATCA are accounted for in the period in which the final assessments are finalized.



**3i INFOTECH SAUDI ARABIA CO. LTD.**  
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**3. CASH AND CASH EQUIVALENTS**

	<u>31/03/2022</u>	<u>31/03/2021</u>
	<u>S.R.</u>	<u>S.R.</u>
Cash in hand	1,630	--
Cash at bank	353,826	1,084,756
	-----	-----
Total Exhibit-A	355,456	1,084,756
	=====	=====

**4. ACCOUNTS RECEIVABLE**

Accounts receivable – trade	1,241,905	930,152
Provision for bad debts	(224,833)	(53,762)
	-----	-----
	1,017,072	876,390
Accounts receivable – staff	2,323	--
Accounts receivable – sales of business	15,960,984	--
	-----	-----
Total Exhibit-A	16,980,379	876,390
	=====	=====

**5. PREPAYMENTS**

Rent	24,971	35,179
Insurance	110,890	95,206
Licences	50,085	8,805
	-----	-----
Total Exhibit-A	185,946	139,190
	=====	=====

**6. DISCONTINUED OPERATIONS**

On 28 December 2020 the Partners of the Company have entered in to an agreement to sell major products of the Company to Azentio Software Private Limited, a Singapore registered company, with effect from 01 April 2021. Azentio Software Holding Private Limited of Moritius has registered with SAGIA, under the name Azentio Software Saudi Arabia as One Person Limited Liability Company on 03/05/2021 to take over the discontinued operations.

Assets and liabilities attributable to the sale are classified as discontinued operations.

These assets and liabilities were sold to Azentio Software Saudi Arabia during the year under review.





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The major classes of assets and liabilities of the discontinued operation classified as held for sale as at 31 March 2021 are as follows:-

	<b><u>31/03/2021</u></b> <b><u>S.R.</u></b>
<b><u>Assets</u></b>	
Property and equipment	11,465
Accounts receivable	9,204,285
Accrued income	18,835,634
Deposits and advances	107,937
	-----
Assets held for sale	28,159,321
	-----
<b><u>Liabilities</u></b>	
Deferred income	1,952,384
Accruals	4,318,767
Employees' end of service benefit	341,879
	-----
Liabilities directly associated with assets held for sale	6,613,030
	-----
<b>Net assets directly associated with discontinued operations</b>	<b>21,546,291</b>
	=====

The results of discontinued operations for the year ended 31 March 2021 are presented below:-

	<b><u>2020/2021</u></b> <b><u>S.R.</u></b>
Revenue	44,535,526
Operating expenses	(29,607,504)
	-----
Gross operating profit	14,928,022
Selling and marketing expenses	(44,080)
General and administration expenses	(4,153,700)
	-----
Profit from discontinued operations	10,730,242
Re-measurement gain on employees end of service benefit	--
	-----
<b>Net profit for the year from discontinued operations - Exhibit-B</b>	<b>10,730,242</b>
	=====



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**7. PROPERTY AND EQUIPMENT**

<b><u>COST</u></b>	<b>Motor</b>	<b>Computer</b>	<b>Total</b>
	<b>Vehicles</b>	<b>Equipment</b>	
	<b><u>S.R.</u></b>	<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
As at 01/04/2021	63,000	38,782	101,782
Disposals during the year	(63,000)	--	(63,000)
	-----	-----	-----
As at 31/03/2022	--	38,782	38,782
	-----	-----	-----
<b><u>DEPRECIATION</u></b>			
Accumulated as at 01/04/2021	60,831	33,286	94,117
Charge for the year	2,169	2,634	4,803
Accumulated on disposals	(63,000)	--	(63,000)
	-----	-----	-----
Accumulated as at 31/03/2022	--	35,920	35,920
	-----	-----	-----
Net book value as at 31/03/2022 - Exhibit-A	--	2,862	2,962
	=====	=====	=====
Net book value as at 31/03/2021 - Exhibit-A	2,169	5,496	7,665
	=====	=====	=====

**8. ACCOUNTS PAYABLE**

	<b><u>31/03/2022</u></b>	<b><u>31/03/2021</u></b>
	<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
Accounts payable - related parties	44,050,023	3,898,120
Accounts payable - others	988,027	71,159
	-----	-----
Total Exhibit-A	45,038,050	3,969,279
	=====	=====



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**9. PROVISION FOR INCOME TAX AND WITHHOLDING TAX**

The Company has submitted its financial statements and tax declarations up-to the year ended 31/03/2021 and has obtained restricted tax clearance certificates.

Zakat, Tax and Customs Authority (ZATCA) has issued assessments for the years 2008 to 2010 assessing additional income tax amounting to SR 8,936,649. The company has appealed against the assessments. This is still under review by ZATCA. An amount of S.R. 2,389,815 is provided against this assessment in previous years.

ZATCA has issued an assessment with additional income tax and penalty amounting to S.R. 5,645,663 for the year ended 31/03/2019. The Company has appealed against the assessment. The matter is pending with ZATCA.

ZATCA has issued an assessment for the year 2012 amounting to SR 1,732,774 on account of withholding tax. The Company had paid the additional withholding tax liability of S.R. 2,042,006 under protest and appealed against the assessment. The amount paid has been shown under advances. The matter is pending with ZATCA.

**9.1 Income Tax Base**

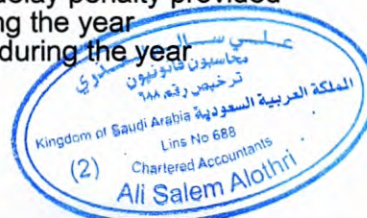
	<b><u>2021/2022</u></b>	<b><u>2020/2021</u></b>
	<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
Adjusted net profit for the year	11,980	8,250,114
<b>Tax Base</b>	11,980	8,250,114
	=====	=====
Tax liability @ 20% thereon	2,396	1,650,023
	=====	=====
<b><u>Income Tax Charge for the year</u></b>		
<b><u>Current Income Tax</u></b>		
Current income tax charge	2,396	1,650,023
Adjustment in respect of income tax of previous year	(565,111)	--
<b><u>Deferred Tax</u></b>		
Relating to origination and reversal of temporary difference	811,794	(150,401)
	-----	-----
	249,079	1,499,622
	=====	=====
Net profit is adjusted for provisions and expenses which are not allowable and for depreciation as per the Regulations of ZATCA.		

**9.2 Withholding Tax**

Amount subject to withholding tax	223,886	29,677,195
	=====	=====
Withholding tax liability and penalty	35,540	4,649,183
	=====	=====

**9.3 Movement of Provision for Income Tax and Withholding Tax**

Beginning of the year	10,829,606	23,440,183
Income tax provided during the year	2,396	1,650,023
Over provision of income tax in prior year	(565,111)	--
Adjustment for withholding tax	280,761	2,166
Withholding tax and delay penalty provided	(35,540)	4,649,183
Income tax paid during the year	(1,084,912)	(1,189,384)
Withholding tax paid during the year	(1,791,636)	(17,722,565)
	-----	-----
End of the year	7,706,644	10,829,606
	=====	=====



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**9.4 Deferred Tax**

	<b><u>2021/2022</u></b>	<b><u>2020/2021</u></b>
	<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
Beginning of the year	1,133,143	982,742
	-----	-----
<b><u>Movement during the year</u></b>		
End of service benefit	82,627	(8,822)
Bad and doubtful debts	(167,636)	(441,163)
Correction of operating balance	(656)	--
Provisions	(714,717)	599,730
Depreciation of property and equipment	(11,412)	656
	-----	-----
Net movement during the year	(811,794)	150,401
	-----	-----
<b>End of the year</b>	<b>321,349</b>	<b>1,133,143</b>
	=====	=====

**10. EMPLOYEES END OF SERVICES BENEFIT**

Balance as at 01 April	277,342	663,332
Current service cost	252,766	73,820
Re-measurement of obligations	587,531	(75,918)
Paid during the year	(85,283)	(42,013)
Reclassified to discontinued operations	--	(341,879)
	-----	-----
Balance as at 31 March - Exhibit-A	1,032,356	277,342
	=====	=====
Discount rate - per annum	4.00%	3.90%
Salary growth rate - per annum	5.00%	5.00%

**11. CAPITAL**

<b><u>500 Shares of S.R. 1,000 each fully paid</u></b>	<b>No. of Shares</b>	<b><u>31/03/2022</u></b>	<b><u>31/03/2021</u></b>
		<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
3i Infotech Co. Ltd. - India	250	250,000	250,000
3i Infotech Co. Ltd. - U.K.	250	250,000	250,000
	-----		
	500		
	====		
Total Exhibit-A		500,000	500,000
		=====	=====

**12. STATUTORY RESERVE**

In accordance with the Article 176 of Regulations for Companies in the Kingdom of Saudi Arabia, the Company is required to set aside 10% of its net profit each year. The partners may decide to discontinue such transfer upon reaching 30% of the paid up capital. The balance of statutory reserve as at 31/03/2022 is S.R. 250,000 (31/03/2021 – S.R. 250,000).



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**13. OPERATING EXPENSES**

	<u>2021/2022</u>	<u>2020/2021</u>
	<u>S.R.</u>	<u>S.R.</u>
Salaries and wages	3,073,876	1,133,591
Employees' end of service benefit	252,766	73,820
Software cost	147,814	--
Travel and transport	20,305	8,159
Sales commission	293,427	26,105
Project implementation costs	4,417,109	10,832,824
	-----	-----
Total Exhibit-B	8,205,297	12,074,499
	=====	=====

**14. GENERAL AND ADMINISTRATION EXPENSES**

Salaries and wages	1,381,016	509,294
Staff bonus	52,705	72,778
Social insurance	189,997	24,265
Insurance	285,176	26,912
Leave salary paid	118,568	20,801
Travel and transport	11,176	4,264
Printings and stationery	843	295
Electricity and water	943	4,113
Postage and telephone	41,690	14,820
Vehicles running expenses	4,213	472
General repairs and maintenance	4,699	3,222
Fees and legalisation expenses	232,434	109,260
Rent	100,839	12,923
Bank charges	13,848	27,024
Professional fee	634,038	21,092
Depreciation of property and equipment	4,803	15,725
Business development expenses	66,046	48,226
Business transfer expenses	--	525,592
Penalties	280,761	1,000
Miscellaneous expenses	320	156
	-----	-----
Total Exhibit-B	3,424,115	1,442,234
	=====	=====



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**15. PROFIT ON DISPOSAL OF PROPERTY AND EQUIPMENT**

	<b><u>2021/2022</u></b>	<b><u>2020/2021</u></b>
	<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
Sale proceeds	--	17,391
	-----	-----
<b><u>Less: Net Book Value</u></b>		
Cost	63,000	81,000
Accumulated depreciation	(63,000)	(81,000)
	-----	-----
	--	--
	-----	-----
<b><u>Profit on Disposal</u></b> – Exhibit-B	--	17,391
	=====	=====

**16. GAIN ON SALE OF DISCONTINUED OPERATION**

Sale Value	22,032,813	--
	-----	-----
<b><u>Less: Net Book Value of Assets Disposed</u></b>		
Assets held for sale	28,159,321	--
Liabilities directly associated with assets held for sale	(6,613,030)	--
	-----	-----
	21,546,291	--
	-----	-----
<b><u>Gain on Disposal</u></b> – Exhibit-B	486,522	--
	=====	=====

**17. RELATED PARTY TRANSACTIONS**

Following are the major transactions during the year.

<b><u>Related Party</u></b>	<b><u>Nature of Transaction</u></b>	<b><u>2021/2022</u></b>	<b><u>2020/2021</u></b>
		<b><u>S.R.</u></b>	<b><u>S.R.</u></b>
3i Infotech Co. Ltd. – India, Partner	Services obtained	244,693	29,677,195
-do-	Transfer from retained earnings	(42,236,369)	--



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**18. FAIR VALUES OF FINANCIAL INSTRUMENTS**

Fair value is the amount for which an assets could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. Financial instruments comprise financial assets and financial Liabilities.

The Company's financial assets consist of bank balances, cash, accounts receivable, accrued income, deposit & advances and prepayments. Its financial liabilities consist of accounts payable, accruals, advance from customer and deferred income.

The fair values of financial instruments are not materially different from their carrying values.

**19. RISK MANAGEMENT**

The Company is subjected to various financial risks due to its activities including: Market risk (including currency risk, fair value and cash flows of interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Senior management is responsible for risk management.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The management seeks to manage its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and ensuring close follow-ups.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. The Company manages its liquidity by ensuring funding is provided by the partners of the Company.

**Currency Risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Company is subject to fluctuations in foreign exchange rates in the normal course of its business. The Company is not exposed to significant currency risk as the Saudi Riyal is pegged to the US Dollar and transactions denominated in other currencies are not considered to represent significant currency risk.



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**20. SUBSEQUENT EVENTS**

In the opinion of the Management, there have been no significant subsequent events since the year ended that require disclosure or adjustment in these financial statements.

**21. APPROVAL OF BOARD OF DIRECTORS**

These financial statements have been approved by the Board of Directors on 26/07/2022.

