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محاسبون قانونيون
ترخيص رقم ٦٨٨
المملكة العربية السعودية

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

FINANCIAL STATEMENTS
31 MARCH 2023

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Independent Auditor's Report

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

Qualified Opinion

We have audited the financial statements of **3i Infotech Saudi Arabia Co., (Foreign Limited),** Riyadh, Saudi Arabia ("the Company") which comprise the statement of financial position as at 31 March 2023 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 1-20 including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of **3i Infotech Saudi Arabia Co., (Foreign Limited),** Riyadh, Saudi Arabia which comprise the statement of financial position as at 31 March 2023, 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 Chartered and Professional Accountants (SOCPA).

Basis for Qualified Opinion

The accrued expenses include an over-provision of liabilities amounting to S.R. 799,018.

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.

Emphasis of Matters

Without qualifying our opinion, we draw your attention to the fact that accounts receivable others amounting to S.R. 10,746,826 represents receivable from the party who took over a part of the business during the year 2021 while accounts payable others include amounts payable to the same party amounting to S.R. 10,628,983 resulting net receivable of S.R. 117,843. Accordingly, current assets and current liabilities shown in these financial statements are overstated by S.R. 10,628,983.
The over-provided accrued expense of SR 799,018 is added to the income tax base as a disallowable expense and income tax is provided on this amount.

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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.

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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

The accumulated loss of the Company amounting to S.R. 42,120,342 has exceeded 50% of the capital. 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 be dissolved if these legal requirements are not complied with. The Board of Directors resolved on 06 June 2023 to support the continuation of the operation of the Company.

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
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Riyadh, 12/07/2023

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EXHIBIT-A
3i INFOTECH SAUDI ARABIA CO.
(FOREIGN LIMITED)
RIYADH - SAUDI ARABIA
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

ASSETS	Note	31/03/2023 S.R.	31/03/2022 S.R.
Current Assets			
Cash and cash equivalents	3	1,545,409	355,456
Accounts receivable	4	11,768,536	16,980,379
Deposits and advances		2,808,033	2,271,839
Accrued income		1,359,863	1,392,287
Prepayments	5	192,197	185,946
VAT receivable		633,285	--
Deferred tax assets	8	304,943	321,349
Total Current Assets		18,612,266	21,507,256
Non-Current Assets			
Property and equipment	6	559	2,862
Total Assets		18,612,825	21,510,118
LIABILITIES AND PARTNERS' EQUITY			
Current Liabilities			
Accounts payable	7	42,516,362	45,038,050
Advances from customers		28,494	28,494
Deferred income		400,071	33,959
Accruals		1,687,886	1,768,336
VAT payable		--	189,348
Provision for income tax and withholding tax	8	14,401,564	7,706,644
Total Current Liabilities		59,034,377	54,764,831
Non-Current Liabilities			
Provision for employees' end of service benefit	9	948,790	1,032,356
Total Liabilities		59,983,167	55,797,187
Partners' Equity			
Capital	10	500,000	500,000
Statutory reserve	11	250,000	250,000
Accumulated (loss)		(42,120,342)	(35,037,069)
Total Partners' Equity		(41,370,342)	(34,287,069)
Total Liabilities and Partners' Equity		18,612,825	21,510,118

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The accompanying notes 1 to 20 form an integral part of these financial statements

EXHIBIT-B
3i INFOTECH SAUDI ARABIA CO.
(FOREIGN LIMITED)
RIYADH - SAUDI ARABIA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2022/2023 S.R.	2021/2022 S.R.
Revenue		15,069,915	10,765,871
Operating expenses	12	(12,129,943)	(8,205,297)
Gross operating profit		2,939,972	2,560,574
Selling and marketing expenses		(7,481)	(25,986)
General and administration expenses	13	(3,815,612)	(3,424,115)
Gain on disposal of property and equipment	14	--	--
Foreign currency (loss)		(52,769)	(2,886)
Bad debts written back/(provided)		57,224	(310,350)
Gain on sale of discontinued operation	15	--	486,522
Over accrual of expenses		5,804	11,715
Other income		160,370	97,759
Net (loss) before tax		(712,492)	(606,767)
Income tax – provided	8	(79,721)	(249,079)
Withholding tax - provided	8	(7,494,496)	(35,540)
Net (loss) after tax		(8,286,709)	(891,386)
Other Comprehensive Income			
Re-measurement gain/(loss) on employees' end of service benefit		368,202	(587,531)
Total Comprehensive (loss) for the year after tax		(7,918,507)	(1,478,917)

The accompanying notes 1 to 20 form an integral part of these financial statements

EXHIBIT-C
3i INFOTECH SAUDI ARABIA CO.
(FOREIGN LIMITED)
RIYADH - SAUDI ARABIA
STATEMENT OF CHANGES IN PARTNERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	2022/2023 S.R.	2021/2022 S.R.
Capital		
Beginning of the year	500,000	500,000
End of the year	500,000	500,000
Statutory Reserve		
Beginning of the year	250,000	250,000
End of the year	250,000	250,000
Accumulated (Loss)		
Beginning of the year	(35,037,069)	8,675,888
Correction for income tax and withholding tax provisions	861,192	--
Prior year correction	(25,958)	2,329
Balance transfer to related party	--	(42,236,369)
Total comprehensive (loss) for the year	(7,918,507)	(1,478,917)
End of the year	(42,120,342)	(35,037,069)
Total Partners' Equity	**(41,370,342)**	**(34,287,069)**

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EXHIBIT-D
3i INFOTECH SAUDI ARABIA CO.
(FOREIGN LIMITED)
RIYADH - SAUDI ARABIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	2022/2023 S.R.	2021/2022 S.R.
Cash flows from operating activities		
Net (loss) for the year before tax	(712,492)	(606,767)
Prior year correction	(25,958)	2,329
Depreciation charge for the year	2,303	4,803
Withholding tax adjustment	--	280,761
Provision for bad debts	--	171,071
Provision for employees' end of service benefit	366,022	252,766
Operating (loss)/profit before working capital changes	(370,125)	104,963
Decrease/(increase) in accounts receivable	5,211,843	(7,070,775)
(Increase)/decrease in deposits and advances	(536,194)	383,549
Decrease in accrued income	32,424	18,125,023
(Increase) in prepayments	(6,251)	(46,756)
(Decrease) in accounts payable	(2,521,688)	(1,167,598)
Increase in advance from customers	--	17,381
Increase/(decrease) in deferred income	366,112	(2,172,232)
(Decrease) in VAT receivable/payable	(822,633)	(1,768,466)
(Decrease) in accruals	(80,450)	(3,842,144)
Cash generated from operating activities	1,273,038	2,562,945
Income tax and withholding tax paid	(1,699)	(2,876,548)
Employees' end of service benefit of discontinued operation	--	(341,879)
Employees' end of service benefit paid	(81,386)	(85,283)
Net cash generated from/(used in) operating activities	1,189,953	(740,765)
Cash flows from investing activities		
Property and equipment transferred to discontinued operation	--	11,465
Net cash generated from investing activities	--	11,465
Net increase/(decrease) in cash and cash equivalents	1,189,953	(729,300)
Cash and cash equivalents at beginning of the year	355,456	1,084,756
Cash and cash equivalents at end of the year	1,545,409	355,456

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The accompanying notes 1 to 20 form an integral part of these financial statements

3i INFOTECH SAUDI ARABIA CO.
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RIYADH - SAUDI ARABIA
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2023

1. STATUS AND ACTIVITIES OF THE COMPANY

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

The Company is registered under the Licence No. 122029104822 dated 19/10/1427H corresponding to 11/11/2006G issued by Ministry of Investment.

The main objectives of the Company are to engage in providing management and control of information in communication networks.

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.

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 Chartered and Professional 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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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:

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

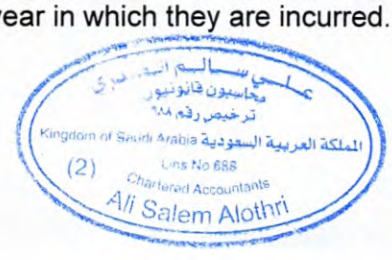
At each reporting date, property and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) 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.

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3. CASH AND CASH EQUIVALENTS

		31/03/2023	31/03/2022
		S.R.	S.R.
Cash in hand		6,576	1,630
Cash at banks		1,538,833	353,826
	Total Exhibit-A	1,545,409	355,456

4. ACCOUNTS RECEIVABLE

Accounts receivable – trade		1,193,424	1,241,905
Provision for bad debts		(176,714)	(224,833)
		1,016,710	1,017,072
Accounts receivable – staff		5,000	2,323
Accounts receivable – others		10,746,826	15,960,984
	Total Exhibit-A	11,768,536	16,980,379

5. PREPAYMENTS

Rent		15,503	24,971
Insurance		129,508	110,890
Licences		47,186	50,085
	Total Exhibit-A	192,197	185,946

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6. PROPERTY AND EQUIPMENT

	Computer Equipment S.R.
COST	
As at 01/04/2022	38,782
As at 31/03/2023	38,782
DEPRECIATION	
Accumulated as at 01/04/2022	35,920
Charge for the year	2,303
Accumulated as at 31/03/2023	38,223
Net book value as at 31/03/2023 - Exhibit-A	559
Net book value as at 31/03/2022 - Exhibit-A	2,862

7. ACCOUNTS PAYABLE

	31/03/2023 S.R.	31/03/2022 S.R.
Accounts payable - related parties	30,546,526	44,050,023
Accounts payable - others	11,969,836	988,027
Total Exhibit-A	42,516,362	45,038,050

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8. PROVISION FOR INCOME TAX AND WITHHOLDING TAX

The Company has submitted its financial statements and tax declarations up-to the year ended 31/03/2022 and has obtained tax certificates.

Zakat, Tax and Customs Authority (ZATCA) has issued assessments for the years ended 31 March 2008 to 2010 assessing additional income tax S.R. 3,859,664, fine for late filing S.R. 156,777 and withholding tax and penalty S.R. 4,920,208 totaling to SR 8,936,649. The Company has appealed against the assessments. This appeal is still under review by ZATCA. An amount of S.R. 4,920,208 is provided against this assessment.

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. The Company has provided S.R. 4,876,859 against this assessment.

ZATCA has issued an assessment for the year ended 31/03/2012 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.

8.1 Income Tax Base

	2022/2023 S.R.	2021/2022 S.R.
Adjusted net profit for the year	422,103	11,980
Less: Loss brought forward	(105,526)	--
Tax Base	316,577	11,980
Tax liability @ 20% thereon	63,315	2,396

Income Tax Charge for the year

Current Income Tax		
Current income tax charge	63,315	2,396
Adjustment in respect of income tax of previous year	--	(565,111)
Deferred Tax		
Relating to origination and reversal of temporary difference	16,406	811,794
	79,721	249,079

Net result is adjusted for provisions and expenses which are not allowable and for depreciation as per the Regulations of ZATCA.

8.2 Withholding Tax

Withholding tax liability	91,302	35,540

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8.3 Movement of Provision for Income Tax and Withholding Tax

	2022/2023 S.R.	2021/2022 S.R.
Beginning of the year	7,706,644	10,829,606
Income tax provided during the year	63,315	2,396
Over provision of income tax in prior year	--	(565,111)
Adjustment for income tax	2,484,648	--
Adjustment for withholding tax	(3,345,840)	280,761
Withholding tax provided for prior years	7,403,194	--
Withholding tax and delay penalty provided	91,302	35,540
Income tax paid during the year	--	(1,084,912)
Withholding tax paid during the year	(1,699)	(1,791,636)
End of the year	14,401,564	7,706,644

8.4 Deferred Tax

Beginning of the year	321,349	1,133,143
Movement during the year		
Employees' end of service benefit	(16,713)	82,627
Bad and doubtful debts	(9,624)	(167,636)
Correction of operating balance	25,750	(656)
Provisions	(8,618)	(714,717)
Depreciation of property and equipment	(7,201)	(11,412)
Net movement during the year	(16,406)	(811,794)
End of the year	304,943	321,349

9. EMPLOYEES' END OF SERVICES BENEFIT

Balance as at 01 April	1,032,356	277,342
Current service cost	366,022	252,766
Re-measurement of obligations	(368,202)	587,531
Paid during the year	(81,386)	(85,283)
Balance as at 31 March - Exhibit-A	948,790	1,032,356
Discount rate - per annum	5.35%	4.00%
Salary growth rate - per annum	5.00%	5.00%

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10. CAPITAL

500 Shares of S.R. 1,000 each fully paid	No. of Shares	31/03/2023 S.R.	31/03/2022 S.R.
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

11. 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 31/03/2023 is S.R. 250,000 (31/03/2022 – S.R. 250,000).

12. OPERATING EXPENSES

	2022/2023 S.R.	2021/2022 S.R.
Salaries and wages	4,814,165	3,073,876
Employees' end of service benefit	366,022	252,766
Software cost	--	147,814
Travel and transport	22,721	20,305
Sales commission	464,872	293,427
Management charges	6,462,163	4,417,109
Total Exhibit-B	12,129,943	8,205,297

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13. GENERAL AND ADMINISTRATION EXPENSES

Salaries and wages	2,162,886	1,381,016
Staff bonus	153,788	52,705
Social insurance	390,300	189,997
Insurance	391,204	285,176
Leave salary	--	118,568
Travel and transport	81,724	11,176
Printings and stationery	1,025	843
Electricity and water	1,076	943
Postage and telephone	10,452	41,690
Vehicles running expenses	688	4,213
General repairs and maintenance	388	4,699
Fees and legalisation expenses	317,953	232,434
Subscription	592	--
Rent	116,038	100,839
Bank charges	11,730	13,848
Professional fee	124,125	634,038
Depreciation of property and equipment	2,303	4,803
Business development expenses	--	66,046
Tender fees	1,500	--
Penalties	--	280,761
Miscellaneous expenses	47,840	320
Total Exhibit-B	3,815,612	3,424,115

14. GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT

	2022/2023 S.R.	2021/2022 S.R.
Sale proceeds	--	--
Less: Net Book Value		
Cost	--	63,000
Accumulated depreciation	--	(63,000)
	--	--
Gain on Disposal – Exhibit-B	--	--

15. GAIN ON SALE OF DISCONTINUED OPERATION

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

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16. RELATED PARTY TRANSACTIONS

Following are the major transactions during the year.

Related Party	Nature of Transaction	2022/2023 S.R.	2021/2022 S.R.
3i Infotech Co. Ltd. – India, Partner	Services obtained	570,960	244,693
-do-	Transfer from retained earnings	--	(42,236,369)
-do-	Net Transfer of funds	14,074,457	--

17. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset 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, deposits & 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.

18. 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.

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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.

19. 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.

20. APPROVAL OF THE BOARD OF DIRECTORS

These financial statements have been approved by the Board of Directors on 12/07/2023.