

Company No. : 199701002652 (418148-D)

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

**REPORTS &
FINANCIAL STATEMENTS**

31ST MARCH 2023

Company No. : 199701002652 (418148-D)

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

FINANCIAL STATEMENTS - 31ST MARCH 2023

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Company No. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.
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CORPORATE INFORMATION

Board of Directors	: Sanjay Mal : Nor Samsiah Binti Abdullah Din : Kamal Nain Dhuper : Perunkolam Ramakrishnan Subramaniam
Company Secretary	: Ong Wai Leng (MAICSA 7065544) : Choo Sook Fun (LS 0009607)
Registered Office	: Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
Auditors	: Lloyds Earle Panicker & Tan (AF0604) Chartered Accountants Suite 1.00, Level 11B, Akademi Etiqa, No.23, Jalan Melaka, 50100 Kuala Lumpur.
Principal Bankers	: Citibank Berhad : Maybank Berhad
Legal Form	: Private company limited by shares, incorporated under the Companies Act, 2016

Company No. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.
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DIRECTORS' REPORT

The Directors take pleasure in submitting their Report together with the Audited Financial Statements of the Company for the financial year ended 31st March 2023.

Principal Activities

The company is principally engaged in the provision of learning and knowledge solutions to individuals, enterprises and various institutions. There have been no significant changes in the nature of its activities during the financial year.

Holding Company

The Company was previously wholly owned by NIIT Limited, a company incorporated in India. With effect from 1 April 2022, the Company is wholly owned by NIIT Learning Systems Limited, a company incorporated in India.

The Board of Directors of the NIIT Limited, in its meeting held on 28 January 2022 approved a Composite Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Indian Companies Act 2013 between NIIT Limited ("NIIT") and NIIT Learning Systems Limited ("NLSL") and their respective shareholders and creditors. The National Company Law Tribunal of India (NCLT), vide Order dated 19 May 2023, sanctioned the Composite Scheme of Arrangement. The Scheme became effective on 24 May 2023 upon filing of the certified copies of the NCLT Orders sanctioning the Scheme with the respective jurisdictional Registrar of Companies. Pursuant to the Scheme becoming effective, the CLG Business Undertaking is demerged from the NIIT and transferred to and vested in NLSL with effect from 1 April 2022. Consequently, NIIT ceased to be the holding company of the entity and NLSL became the holding company of the entity.

The transfer of shares is pending lodgment with Companies Commission in Malaysia.

Financial Results

Profits after taxation for the financial year amounted to RM395,301.

In the opinion of the Directors, the results of the Company's operations for the financial year ended 31st March 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

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

Reserves and Provisions

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

Issue of Shares and Debentures

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

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NIIT (MALAYSIA) SDN. BHD.
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DIRECTORS' REPORT (Cont'd)

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 2023, there were no outstanding options on the unissued shares in the Company.

Directors

The names of the directors of the Company who held office since the date of the last report and at the date of this report are:-

Kamal Nain Dhuper
Sanjay Mal
Nor Samsiah Binti Abdullah Din
Perunkolam Ramakrishnan Subramaniam (Appointed on 23 May 2022)

Directors' Interest

Throughout the year ended 31st March 2023, all the Directors did not hold any shares in the Company and the Holding Company.

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

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 interest.

Directors' Remuneration

Details of emoluments paid to directors of the Company during and at the end of the financial year are as stated in Note 13 to the financial statements.

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NIIT (MALAYSIA) SDN. BHD.
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DIRECTORS' REPORT (Cont'd)

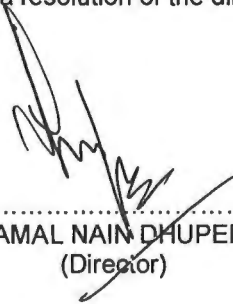
Auditors

The auditors, Messrs. Lloyds Earle Panicker & Tan, Chartered Accountants, have intimated their willingness to continue in office in accordance with Section 267(4)(a) of the Companies Act, 2016.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors.



.....
SANJAY MAL
(Director)



.....
KAMAL NAIN DHUPER
(Director)

Date : 25 May 2023

Company No. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.
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STATEMENT BY DIRECTORS


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

We, SANJAY MAL 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 12 to 37 are drawn up in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS) and provisions of the Companies Act, 2016 so as to give a true and fair view of the financial position of the Company as at 31st March 2023 and of the results and cash flows for the year then ended.

Signed in accordance with a resolution of the Directors,



SANJAY MAL



KAMAL NAIN DHUPER

Date : 25 May 2023

STATUTORY DECLARATION

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

I, SANJAY MAL, 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 12 to 37 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 SANJAY MAL)
(PASSPORT NO: Z3931138))

in)


on)



SANJAY MAL

Before me,

BEFORE ME



PARMOD KUMAR TYAGI
Advocate & Notary Public
Govt. of India
Gurgaon, Haryana (INDIA)
My Commission Expires Oct-13-2023

25 MAY 2023

VALID OUTSIDE INDIA
PARMOD KUMAR TYAGI
Advocate & Notary Public
Gurgaon, Haryana (India)





A Member of
Lloyds • Earle • Panicker
International Inc.

LLOYDS EARLE PANICKER & TAN (A.F. 0604)

Chartered Accountants

MALAYSIA

PRIVATE & CONFIDENTIAL

Company No. : 199701002652 (418148-D)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIIT (MALAYSIA) SDN. BHD.**
(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 2023, 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 12 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2023, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIIT (MALAYSIA) SDN. BHD.**
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Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIIT (MALAYSIA) SDN. BHD.**
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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NIIT (MALAYSIA) SDN. BHD.**
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Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)


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


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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
A.F.0604
CHARTERED ACCOUNTANTS


DATUK K. K. PANICKER
761/03/25 (J)
CHARTERED ACCOUNTANTS

Date : **25 MAY 2023**

Kuala Lumpur

NIIT (MALAYSIA) SDN. BHD.
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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

	Notes	2023 RM	2022 RM
Non-Current Assets			
Property, plant and equipment	6	10,292	-
Deferred tax asset	7	-	32,573
		<u>10,292</u>	<u>32,573</u>
Current Assets			
Trade receivables	8	415,182	132,112
Non-trade receivables		34,019	-
Amount owing by related companies	9	3,375,523	3,253,535
Cash and bank balances		<u>4,078,564</u>	<u>4,038,196</u>
		<u>7,903,288</u>	<u>7,423,843</u>
Total Assets		<u><u>7,913,580</u></u>	<u><u>7,456,416</u></u>
Equity			
Share capital	10	5,541,000	5,541,000
Retained profits	11	<u>1,822,391</u>	<u>1,427,090</u>
		<u>7,363,391</u>	<u>6,968,090</u>
Current Liabilities			
Trade payables		86,504	113,911
Non-trade payables and accruals		276,846	318,460
Amount owing to related companies	12	181,873	55,955
Current tax liability		<u>4,966</u>	<u>-</u>
Total Liabilities		<u>550,189</u>	<u>488,326</u>
Total Equity and Liabilities		<u><u>7,913,580</u></u>	<u><u>7,456,416</u></u>

The notes on pages 16 to 37 form an integral part of the financial statements

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**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2023**

	Notes	<u>2023</u> RM	<u>2022</u> RM
Revenue		1,797,710	1,878,064
Cost of Services		(1,351,778)	(1,541,169)
Gross Profits		<u>445,932</u>	<u>336,895</u>
Other Income		264,701	223,451
Administration Expenses		(276,292)	(363,706)
Profits for the year before taxation	13	<u>434,341</u>	<u>196,640</u>
Taxation	14	(39,040)	(89,898)
Profits for the year after taxation		<u><u>395,301</u></u>	<u><u>106,742</u></u>

The notes on pages 16 to 37 form an integral part of the financial statements

Company No. : 199701002652 (418148-D)

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2023**

	<u>2023</u>	<u>2022</u>
	<u>RM</u>	<u>RM</u>
Share Capital		
At the beginning and the end of the year	<u>5,541,000</u>	<u>5,541,000</u>
Retained Profits		
At the beginning of the year	1,427,090	1,320,348
Profit for the year after taxation	<u>395,301</u>	<u>106,742</u>
At the end of the year	<u>1,822,391</u>	<u>1,427,090</u>
Total Shareholders' Equity At The End Of The Year	<u><u>7,363,391</u></u>	<u><u>6,968,090</u></u>

The notes on pages 16 to 37 form an integral part of the financial statements

NIIT (MALAYSIA) SDN. BHD.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2023

	2023 RM	2022 RM
Cash Flows from Operating Activities		
Profits for the year before taxation	434,341	196,640
Adjustment for :		
Interest charged to related company	(165,531)	(223,451)
Unrealised (gain)/loss on foreign exchange	(93,179)	125,413
Depreciation of property, plant and equipment	803	-
Operating profits before working capital changes	176,434	98,602
(Increase)/Decrease in receivables	(317,317)	52,263
(Decrease)/Increase in payables	(69,021)	15,409
(Increase)/Decrease in amount owing by related companies	(28,967)	138,557
Increase/(Decrease) in amount owing to related companies	125,918	(161,849)
Cash (used in)/generated from operating activities	(112,953)	142,982
Tax paid	(1,502)	(45,353)
Net cash (used in)/generated from operating activities	(114,455)	97,629
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(11,094)	-
Interest income from related company	165,531	223,451
Loan paid by related company	-	932,554
Net cash generated from investing activities	154,437	1,156,005
Net Increase in Cash and Cash Equivalents	39,982	1,253,634
Effect from exchange rate	386	1,075
Cash and Cash Equivalents at the beginning of the year	4,038,196	2,783,487
Cash and Cash Equivalents at the end of the year	<u>4,078,564</u>	<u>4,038,196</u>

The notes on pages 16 to 37 form an integral part of the financial statements

Company No. : 199701002652 (418148-D)

NIIT (MALAYSIA) SDN. BHD.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023**

1. Corporate Information

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The Company was previously wholly owned by NIIT Limited, a company incorporated in India. With effect from 1 April 2022, the Company is wholly owned by NIIT Learning Systems Limited, a company incorporated in India.

The Company is principally engaged in the provision of learning and knowledge solutions to individuals, enterprises and various institutions. There have been no significant changes in the nature of its activities during the financial year.

2. Basis of Preparation

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.

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies.

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

3. Significant Accounting policies

3.1 Adoption of amendments/improvements to MFRSs

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

- Amendments to MFRS 1 First Time Adoption of Malaysian Financial Reporting Standards- Annual Improvements to MFRS Standards 2018 – 2020
- Amendments to MFRS 3 Business Combination- Definition of a Business – Reference to the Conceptual Framework
- Amendments to MFRS 9 Financial Instruments- Annual improvements to MFRS standards 2018 – 2020

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023**

3. Significant Accounting policies (cont'd)

3.1 Adoption of amendments/improvements to MFRSs (cont'd)

- Amendments to MFRS 116 Property, Plant and Equipment – Property , Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

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 2023.

3.2 New and amended standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to MFRS 17 Insurance Contracts	1st January 2023
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non- Current and Disclosure of accounting policies	1st January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1st January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transactions	1st January 2023
Amendments to MFRS 16 Lease liability in a Sale and leaseback	1st January 2024
Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants	1st January 2024

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

NIIT (MALAYSIA) SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.3 Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purposes or for rental to others are recognised as property, plant and equipment when the Company obtains control of the asset. These include assets constructed or acquired for environmental protection purposes and investment property measured on the cost model. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on their nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are depreciated by allocating the depreciable amount of significant component or of an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

The principal annual rates for computers are 33%.

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any changes in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

3.4 Impairment of non-financial assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

NIIT (MALAYSIA) SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.4 Impairment of non-financial assets (cont'd)

If an individual asset generates independent cash inflows, it is tested for impairment as a stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash generating unit at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in a hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in an active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for periods beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in the profit or loss. For a property, plant and equipment measured on the revaluation model, any impairment loss is treated as a revaluation decrease.

For a cash-generating unit, any impairment loss is first allocated to reduce the carrying amount of goodwill allocated to the unit, if any, and the balance of the impairment loss is then allocated to the other assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed.

Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

NIIT (MALAYSIA) SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.5 Current and non-current classification

Assets and liabilities are classified into current and non-current as follows :

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current assets include the current portion of non-current financial assets. All other assets (including deferred tax assets) are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting period; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities (including deferred tax liabilities) are classified as non-current.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

3.6 Share capital and distribution

(i) Share capital

Ordinary shares issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

NIIT (MALAYSIA) SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.6 Share capital and distribution (cont'd)

(i) Share capital (cont'd)

When ordinary shares and other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at fair value at the date of the exchange transaction.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

(ii) Distribution

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

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, including a distribution in specie, the Company measures the dividend payable at the fair value of the assets to be distributed. At the end of each reporting period and at the date of settlement, the Company reviews and adjusts the carrying amount of the dividend payable to reflect changes in the fair value of the assets to be distributed, with any changes recognised in equity as adjustments to the amount of the distribution. Upon settlement, the difference between the carrying amount of the dividend payable and the carrying amount of the assets distributed is recognised as a gain or loss in profit or loss.

3.7 Financial instrument

(i) Initial recognition and measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.7 Financial instrument (cont'd)

(i) Initial recognition and measurement (cont'd)

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(ii) Derecognition of financial instrument

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or a group of similar items.

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial assets expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(iii) Subsequent measurement of financial assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories namely (i) financial assets at fair value through profit or loss; and (ii) financial assets at amortised cost.

After initial recognition, the Company measures investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.7 Financial instrument (cont'd)

(iii) Subsequent measurement of financial assets (cont'd)

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.7(vii).

(iv) Subsequent measurement of financial liabilities

After initial recognition, the Company measures all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives instruments that are liabilities and financial guarantee contracts, which are measured at fair value.

(v) Fair value measurement of financial instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

(vi) Recognition of gains and losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss as they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial assets or liability is derecognised or impaired, and through amortization of the instrument.

(vii) Impairment and uncollectibility of financial assets

At the end of each reporting year, the Company examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other reorganization; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.7 Financial instrument (cont'd)

(vii) Impairment and uncollectibility of financial assets (cont'd)

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due year. A collective allowance is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the assets if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

3.8 Related companies

Related companies refer to member companies within the NIIT Learning Systems Limited (Formerly known as Mindchampion Learning Systems Limited), group of companies, other than the Company's subsidiary companies.

3.9 Related parties

Related parties refer to persons connected to the directors and/or shareholders of the Company, and companies in which the directors and/or shareholders or persons connected to the said directors and/or shareholders have substantial equity interest.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.10 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.11 Foreign currency transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period (i.e. the closing rates).

Non-monetary items carried at revalued amounts or at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their respective historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period except for: (i) loans and advances that form part of the net investment in a foreign operation; and (ii) transactions entered into in order to hedge foreign currency risks of net investments in foreign operations.

3.12 Income tax

(i) Current tax

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the equity expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.12 Income tax (cont'd)

(ii) Deferred tax liability

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

(iii) Deferred tax asset

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss).

The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment. However, for deductible temporary differences related to investments in subsidiaries and branches, a deferred tax asset is recognised to the extent, and only to the extent that, it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which an entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, if the owner-entity does not have a business model to hold the property solely for rental income, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.12 Income tax (cont'd)

(iii) Deferred tax asset (cont'd)

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(iv) Income statement recognition

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

3.13 Revenue recognition

(i) Sales of service

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, discounts and taxes.

Services are provided under time and material contracts and fixed price contracts. Revenue from providing services is recognised over a period of time in the accounting period in which services are rendered. The revenue from time and material contracts is recognised at the amount to which the Company has right to invoice.

In respect of fixed price contracts, revenue is recognised based on the technical evaluation of utilization of services as per the proportionate completion method when no significant uncertainty exists regarding the amount of consideration that will be determined from rendering the service. The customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payment exceed the services rendered, a contract liability is recognised. Revenue from training is recognised over the period of delivery. The foreseeable losses on completion of contract, if any, are provided for.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.13 Revenue recognition (cont'd)

(i) Sales of service

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

Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

(ii) Sales of goods

Revenue in respect of sale of courseware and other physical deliverables is recognised at a point in time when these are delivered, the legal title is passed and the customer has accepted the courseware and other physical deliverables.

In other cases, where courseware is not considered a separate component under a contract, revenue from the composite course is recognised over the period of the training or the contract period, depending upon the terms and conditions.

(iii) Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

3.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

3. Significant accounting policies (cont'd)

3.15 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.

3.16 Fair value measurement

For assets, liabilities and equity instruments whether financial or non-financial items that require fair value measurement disclosure, the Company establishes a fair value measurement hierarchy that gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is estimated using a quoted price in an active market if that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of an active market price, the fair value of an item is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

In the absence of both market price and observable inputs, a fair value measurement of an item is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions that are reasonable and supportable.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

4. Financial Risk Management Policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

(i) Liquidity and cash flow risks

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding for its operation.

(ii) Interest rate risk

The Company is not exposed to interest rate risk as defined under MFRS 7 since neither the carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

(iii) Foreign currency risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies.

Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

(iv) Credit risk

The Company's exposure to credit risk arises mainly from trade, financing, and other receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(v) Market risk

The Company's principal exposure to market risk arises mainly from the changes in equity prices. Equity investments classified as current assets are available for sale and the Company manages disposal of its investment to optimise returns on realisation.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

5. Critical Judgement and Estimation Uncertainty

The preparation of the financial statements in conformity with Malaysian Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in the future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

(i) Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All others are grouped into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowance made and this may affect the Company's financial position and results.

(ii) Depreciation of property, plant and equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(iii) Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will adjust for the differences as over- or under-provision of current or deferred taxes in the current period in which those differences arise.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

5. Critical Judgement and Estimation Uncertainty (cont'd)

(iv) Measurement of a provision

The Company uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Company's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. In the case when a provision relates to large population of customers (such as a warranty provision), a probability-weighted estimate of the outflows required to settle the obligation is used. In the case of a single estimate (such as a provision for environmental restoration costs), a referenced contractor's price or market price or market price is used as the best estimate. If an obligation is to be settled overtime, the expected outflows are discounted at a rate that takes into account the time value of money and the risk that the actual outcome might differ from the estimates made.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31ST MARCH 2023

6. PROPERTY, PLANT & EQUIPMENT

	<u>Computers</u>
	RM
<u>Gross Carrying Amount</u>	
As at 1st April 2022	20,895
Addition	11,095
As at 31st March 2023	<u>31,990</u> =====
<u>Accumulated depreciation</u>	
As at 1st April 2022	20,895
Addition	803
As at 31st March 2023	<u>21,698</u> =====
Net book values as at 1st April 2022	NIL =====
Net book values as at 31st March 2023	10,292 =====

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. DEFERRED TAX ASSETS

Deferred tax asset at the financial year end is as follows:

	<u>2023</u>	<u>2022</u>
	RM	RM
Deferred tax assets	<u>-</u>	<u>32,573</u>

Deferred tax asset is not provided for during the financial year in view of its insignificant impact on the operational results.

8. TRADE RECEIVABLES

	<u>2023</u>	<u>2022</u>
	RM	RM
Trade receivables	2,560,263	2,277,193
Less		
Allowance for doubtful debts	2,145,081	2,145,081
	<u>415,182</u>	<u>132,112</u>

9. AMOUNT OWING BY RELATED COMPANIES

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

	<u>2023</u>	<u>2022</u>
	RM	RM
Interest bearing	3,125,720	3,032,315
Non - interest bearing	249,803	221,220
	<u>3,375,523</u>	<u>3,253,535</u>

The amount owing by related companies is unsecured. Interest charged on the interest bearing loan is 7% per annum on RM3,125,720 (Euro 650,000) [2022 : RM3,032,315 (Euro 650,000)]

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. SHARE CAPITAL

	<u>2023</u>	<u>2022</u>
	RM	RM
Issued and Fully paid 5,541,000 ordinary shares	<u>5,541,000</u>	<u>5,541,000</u>

11. 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.

12. Amount Owing to Related Companies

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

13. Profits Before Taxation

	<u>2023</u>	<u>2022</u>
	RM	RM
Profits for the year is arrived at after charging :-		
Auditors' remuneration	16,000	16,000
Directors' fee	10,000	12,250
Realised (gain)/loss in foreign exchange	<u>(5,991)</u>	<u>138,905</u>
And crediting : -		
Interest charged to a related company	165,531	223,451
Unrealised gain in foreign exchange	<u>93,179</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. Taxation

	<u>2023</u>	<u>2022</u>
	RM	RM
Taxation during the financial year	(4,965)	-
Under provision of prior year tax	(1,502)	-
Withholding tax expense	-	(45,353)
Reversal of deferred tax asset	(32,573)	(44,545)
Tax expenses	<u>(39,040)</u>	<u>(89,898)</u>

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

	<u>2023</u>	<u>2022</u>
	RM	RM
Profits before tax	<u>434,341</u>	<u>196,640</u>
Tax at applicable standard rate of 24%	(104,242)	(47,194)
Tax effects of :		
Income not taxable	22,363	53,628
Expenses not deductible for tax purposes	(193)	
Tax saving on utilisation of unabsorbed capital allowances and business loss	42,345	(6,434)
Difference in tax rate charge	34,762	-
Withholding tax expense	-	(45,353)
Under provision of prior year tax	(1,502)	-
Utilisation of carried forward losses on which deferred tax asset not recognised earlier	(32,573)	(44,545)
Tax expenses	<u>(39,040)</u>	<u>(89,898)</u>

As at 31st March 2023, the Company has unabsorbed tax losses amounting to RM7,499,632 (2022: RM7,644,264) which are available for set off against future chargeable income.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Related Party Transactions

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

	<u>2023</u>	<u>2022</u>
	RM	RM
Sales of services to related company	(1,301,353)	(1,405,230)
Interest charged to related company	(165,531)	(223,451)
Purchases of services from related company	81,221	81,765
Management fee charged	48,963	46,382
Royalty charged	8,989	8,790
Repayment of loan	-	932,554

16. Date of Authorisation for Issue of the Financial Statements

The financial statements were authorised for issue by the Board of Directors on 25 May 2023.

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**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023**

	2023		2022
	RM	RM	RM
REVENUE		1,797,710	1,878,064
Less			
COST OF SERVICES			
Sub-contract charges	87,125		54,075
Training management services	983,577		1,211,887
Salaries and wages	281,076		275,207
		1,351,778	1,541,169
GROSS PROFITS		445,932	336,895
Add			
OTHER INCOME			
Interest charged to related companies	165,531		223,451
Realised gain on foreign exchange	5,991		-
Unrealised gain on foreign exchange	93,179		-
		264,701	223,451
		710,633	560,346
Less			
ADMINISTRATION EXPENSES			
Auditors' remuneration	16,000		16,000
Bank charges	11,407		7,482
Communication charges	3,278		2,050
Depreciation of plant and machinery	803		-
Directors' fee	10,000		12,250
Insurance expenses	624		770
Management fees	48,963		46,382
Printing and stationery	567		386
Professional charges	24,520		126,606
Loss in foreign exchange	-		138,905
Repair and maintenance	1,085		538
Royalties	8,989		8,790
Staff welfare	7,274		3,515
Travelling expenses	142,782		32
		276,292	363,706
PROFITS FOR THE YEAR BEFORE TAXATION		434,341	196,640