

EMDI (Overseas) FZ - LLC
DDA, Dubai - UAE.

Financial Statements and Auditors Report
For the year ended 31st March 2020.

EMDI (Overseas) FZ - LLC
DDA, Dubai - UAE.

Financial statements and Auditors Report
For the year ended 31st March 2020.

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EMDI (Overseas) FZ - LLC
DDA, Dubai, UAE.

Company information

Address

: Premises: 110 - 111 & 115,
Floor 01, Building No: B13,
Knowledge Village,
P. O. Box No: 500499,
Dubai - UAE.

Tax Registration Number

: 100612130300003

Financial year ended

: 31st March 2020

Shareholder

M/s. Greycells Education Limited

: ***Incorporated In***
India

Manager

Mr. Tushar Arun Morsawala

: ***Nationality***
Indian

The Auditors

: ***M/s. ASP Auditing***
P.O. Box No: 103528
Dubai-UAE
Tel: +971 - 4 - 3353970
Email: aspa@emirates.net.ae

The Main Banker

: Emirates NBD

Directors' Report and Management Discussion and Analysis

We have pleasure in presenting the report and audited financial statements for the year ended 31st March 2020.

BUSINESS OVERVIEW:

The company is engaged in the activity of Technical and Occupational Skills including training of Health Care Awareness, Hospitality and Tourism and Media Production and Training in Professional & Management Development including Management & Sales & Marketing Training.

BUSINESS OPERATIONS REVIEW AND FUTURE BUSINESS DEVELOPMENT:

The company has been in operation from March 2004.

HIGHLIGHTS OF EMDI (OVERSEAS) FZ - LLC's PERFORMANCE IN 2020:

Despite the difficult global business conditions, it pleases to inform you that the company succeeded in achieving new businesses.

- The company achieved a Turnover of **AED. 1,343,851/-** for the year ended 31st March 2020 as compared to **AED. 1,597,990/-** for the previous year ended 31st March 2019.
- The company posted a Net Loss of **AED. 183,702/-** for the year ended 31st March 2020 as against a Net Loss of **AED. 1,148,811/-** for the previous year ended 31st March 2019.
- The company experienced a smooth cash flow throughout the financial period and concluded with the liquidity in cash and bank balance equivalent worth **AED. 86,928/-**.

AUDITORS:

The Auditors, **M/s. ASP Auditing, Dubai, UAE** are eligible for re-appointment and have expressed their willingness to continue as Auditors for the next year.

DIRECTORS' RESPONSIBILITIES:

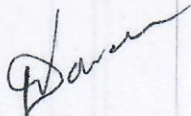
The Company law requires the Directors to prepare the financial statements for each financial year which gives a true and fair view of the state of the affairs of the Company and the Net Profit or Loss for the year. The Directors are responsible for keeping proper books of accounts and accounting records which disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with Commercial Companies Law of 2015 (as amended).

ACKNOWLEDGEMENTS:

The Directors take this opportunity to convey their deep sense of gratitude for valuable assistance and Co-operation extended to the company by all valued Customers, Bankers and various departments of government and local authorities.

The Directors also wish to place on record their sincere appreciation for the valued contribution, unstinted efforts and spirit of dedication shown by the Company employees, officers and the executives at all levels which contributed, in no small measure, to the progress and the high performance of the company during the year under review.

For EMDI (Overseas) FZ-LLC



Authorised Signatory

Director

June 11, 2020.



To,
The Shareholder,
M/s. EMDI (Overseas) FZ - LLC
DDA, Dubai - UAE.

Independent Auditor's Report

Report on the Audit of the Financial statements

Opinion

We have audited the accompanying financial statements of M/s. EMDI (Overseas) FZ - LLC, DDA, Dubai - UAE, UAE which comprise the statement of financial position as at 31st March 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31st March 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st March 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in, and we have fulfilled our 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 opinion.

Responsibilities of Management and Those Charged with Governance ("TCWG") for the Financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 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.

Auditors' 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 Audit 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 to be 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 disclosure made by management.

- Conclude on the appropriateness of management 's use of going concern basis of Accounting and based on the audit evidence obtained, whether 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. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the Overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transaction's and events in a manner that achieves fair presentation.

We communicate with management and 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 were identify during the Audit.

Report on the Legal and Regulatory Requirements

Further, as required by the UAE Federal Commercial Companies Law No. 2 of 2015 (as amended), Dubai Development Authority is a Dubai Government entity established and named pursuant to Law No. 15 of 2014 and Law No 10 of 2018, we report that:

- i. the company has maintained proper books of accounts;
- ii. we have obtained all the information we considered necessary for the purposes of or audit;
- iii. the financial information included in the directors' report is in consistent with the books of accounts of the Company;
- iv. Further, based on the information made available to us, nothing has come to our attention which causes us to believe that the group has contravened during the financial year ended 31st March 2020 of the above mentioned laws and its Articles of Association which would materially affect its activities or its financial position as at 31st March 2020.

For ASP AUDITING



June 11, 2020.

EMDI (Overseas) FZ - LLC

DDA, Dubai - UAE

STATEMENT OF FINANCIAL POSITION

As at 31st March 2020

ASSETS	Note	Mar-20	Mar-19
		AED	AED
NON -CURRENT ASSETS			
Property, Plant and Equipment	5	16,793	22,841
Intangible Assets	6	9,900	13,200
Total Non-Current Assets	A	26,693	36,041
CURRENT ASSETS			
Cash and Cash Equivalents	7	86,928	107,098
Accounts & Other Receivables	8	241,524	257,584
Other Current Assets	9	153,846	170,132
Total Current Assets	B	482,298	534,814
TOTAL ASSETS	A+B	508,991	570,855
EQUITY & LIABILITIES			
EQUITY			
Share Capital	4	50,000	50,000
Shareholder Loan Account	14	856,777	683,562
Retained Earnings	15	(1,337,620)	(1,153,918)
Total Equity	C	(430,843)	(420,356)

(Cont.)

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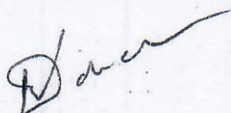
STATEMENT OF FINANCIAL POSITION (Cont.)
As at 31st March 2020

LIABILITIES	Note	Mar-20 AED	Mar-19 AED
NON CURRENT LIABILITIES			
Provision for Employee Benefits	13	37,813	163,070
Total Non Current Liabilities	D	37,813	163,070
CURRENT LIABILITIES			
Accounts & Other Payables	10	191,234	176,934
Other Current Liabilities	11	710,787	520,907
Accruals and Provisions	12	-	130,300
Total Current Liabilities	E	902,021	828,141
TOTAL LIABILITIES	D+E	939,834	991,211
TOTAL EQUITY & LIABILITIES	C+D+E	508,991	570,855

The notes on pages 12 to 32 form an integral part of these financial statements.

These financial statements were approved on June 11, 2020

For EMDI (Overseas) FZ - LLC


Authorised Signatory



The report of the auditors is set on page 4 to 6.

EMDI (Overseas) FZ - LLC
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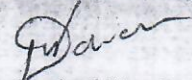
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31st March 2020

	Note	Mar-20 AED	Mar-19 AED
Continuing Operations			
Revenue	F	1,343,851	1,597,990
Cost of Revenue	G	(345,385)	(465,873)
Gross Profit		998,466	1,132,117
Other Income	H	306,133	91,835
Operating Expenses			
Employee Cost & Benefits	I	(443,433)	(758,155)
General & Administration Expenses	J	(617,878)	(1,238,999)
Selling and Distribution Expenses	K	(227,248)	(279,543)
Managerial Remuneration	L	(92,400)	(51,000)
Trademark Amortisation during the year		(3,300)	(3,300)
Depreciation on Property, Plant and Equipment		(6,048)	(5,937)
Total Operating Expenses		(1,390,307)	(2,336,934)
Operating Loss for the year		(85,708)	(1,112,982)
Financial Charges	M	(97,994)	(35,829)
Loss for the year		(183,702)	(1,148,811)
Other Comprehensive Income		-	-
Total Comprehensive Income For the year		(183,702)	(1,148,811)
Loss for the year:			
Attributable to Shareholder		(183,702)	(1,148,811)

The notes on pages 12 to 32 form an integral part of these financial statements.

These financial statements were approved on June 11, 2020

For EMDI (Overseas) FZ - LLC


Authorised Signatory



The report of the auditors is set on page 4 to 6.

EMDI (Overseas) FZ - LLC
DDA, Dubai - UAE

CASH FLOW STATEMENT
For the year ended 31st March 2020

	Mar-20 AED	Mar-19 AED
Cash Flow from Operating Activities		
Net Loss as per Profit & Loss Account	(183,702)	(1,148,811)
Adjustment for non-cash items		
Depreciation	6,048	5,937
Trademark Amortisation	3,300	3,300
Operating Cash Flow before changes in net operating assets	(174,354)	(1,139,574)
Changes in :		
(Increase) / Decrease in Accounts & Other Receivables	16,060	71,275
(Increase) / Decrease in Other Current Assets	16,286	(22,403)
Increase / (Decrease) in Accounts & Other Payables	14,300	112,448
Increase / (Decrease) in Other Current Liabilities	189,880	(54,124)
Increase / (Decrease) in Accruals & Provisions	(130,300)	(11,100)
Cash generated from Operating Activities	106,226	96,096
Net Cash Flow from / (used) from Operating Activities	(68,128)	(1,043,478)
Cash flow from Financing Activities		
Increase / (Decrease) of Non Current Liabilities	(125,257)	(42,032)
Net Changes in Shareholder Equity Account	173,215	657,304
Net Cash Flow from / (used) in Financing Activities	47,958	615,272
Cash flow from Investing Activities		
Net Changes in Property, Plant and Equipment	-	(1,500)
Net Cash Flow from / (used) in Investing Activities	-	(1,500)
Net increase / (decrease) in cash & cash equivalents	(20,170)	(429,706)
Cash & Cash equivalents in the beginning of the year	107,098	536,804
Cash & Cash equivalents at the end of the year	86,928	107,098

The notes on pages 12 to 32 form an integral part of these financial statements.

These financial statements were approved on June 11, 2020

For EMDI (Overseas) FZ - LLC

Authorised Signatory



The report of the auditors is set on page 4 to 6.

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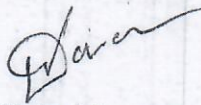
STATEMENT OF CHANGES IN EQUITY
For the year ended 31st March 2020

Particulars	Share Capital	Shareholders Loan Account	Retained Earnings	Total
	AED	AED	AED	AED
Balance as on 01st April 2018	50,000	26,258	(5,107)	71,151
Net Movements of the year	-	657,304	-	657,304
Loss of the year	-	-	(1,148,811)	(1,148,811)
Balance as on 01st April 2019	50,000	683,562	(1,153,918)	(420,356)
Net Movements of the year	-	173,215	-	173,215
Loss of the year	-	-	(183,702)	(183,702)
Balance as on 31st March 2020	50,000	856,777	(1,337,620)	(430,843)

The notes on pages 12 to 32 form an integral part of these financial statements.

These financial statements were approved on June 11, 2020

For EMDI (Overseas) FZ - LLC



Authorised Signatory



The report of the auditors is set on page 4 to 6.

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DDA, Dubai - UAE.

Notes to the Financial Statements

As on 31st March 2020

1. Legal Status and Activities

- 1.1 M/s. EMDI (Overseas) FZ-LLC, is a Free Zone Limited Liability Company registered with the Dubai Development Authority, Government of Dubai, UAE vide Commercial License No. : 18140. The original license was granted on the 04th day of March 2004.
- 1.2 The registered address of the Company is Premises: 110 - 111 & 115, Floor 01, Building: B13, Knowledge Village, P. O. Box No: 500499, Dubai, UAE.
- 1.3 **The Shareholder of the Company is:**
M/s. Greycells Education Limited, Incorporated in India 100% Holder
- 1.4 **Mr. Tushar Arun Morsawala, Indian National** has been appointed as the manager of the Company and shall take care of the day to day activities of the Company.
- 1.5 The Company is licensed to engage in the activities of Technical and Occupational Skills including training of Health Care Awareness, Hospitality and Tourism and Media Production and Training in Professional & Management Development including Management & Sales & Marketing Training.

2. Application of new and revised International Financial Reporting Standards (IFRS)

2.1 New and revised IFRSs effective for accounting years beginning on or after 01st January 2019:

The following new and revised IFRSs which became effective for the annual years beginning on or after 01st January 2019 have been adopted in these financial statements.

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<u>New and revised IFRSs</u>	<u>Summary of requirements</u>
Amendment to IFRS 9 'Financial Instruments'	Relating to prepayment features with negative compensations. This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised costs or depending on the business model at fair value through other comprehensive income) even in case of negative compensation payments.
Amendment to IFRS 16, 'Leases'	Specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.
IFRIC 23, 'Uncertainty over Income Tax Treatments'	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: <ul style="list-style-type: none"> - Whether tax treatments should be considered collectively; - Assumptions for taxation authorities examinations; - The determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and - The effect of changes in facts and circumstances
Amendments to IAS 28, 'Investments in Associates and Joint Ventures'	Relating to the long term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 - Financial Instruments to long term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied

EMDI (Overseas) FZ - LLC
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2.2 New and revised IFRSs in issue but not effective:

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and Revised IFRSs	Effective for annual years beginning on or after
IFRS 17 Insurance Contracts	1 January 2021
Definition of Material – Amendments to IAS 1 and IAS 8	01 st January 2020
Definition of a Business – Amendments to IFRS 3	01 st January 2020
Amendments to IFRS 10	Effective date deferred indefinitely. Adoption is still not permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the year of initial application.

3. Significant Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and applicable rules and regulation of the UAE Law and DDA rules and regulations. The significant accounting policies, which have been applied, are set out below:

a) Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms.

EMDI (Overseas) FZ - LLC
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b) Application of IFRS 9 Financial Instruments

The Company has adopted IFRS 9 effective from 1 January 2018. IFRS 9 replaces IAS 39 and addresses the accounting for financial instruments including hedge accounting. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVTOCI and FVTPL. IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The business model assessment was completed based on the facts and circumstances which existed at the initial date of application. IFRS 9 eliminates the existing IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, derivative embedded contracts where the host is a financial asset in the scope of IFRS 9 are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

The requirements for classification and measurement of financial liabilities under IFRS 9 are largely as existing under IAS 39.

IFRS 9 replaces the “incurred loss” model under IAS 39 with “expected credit loss” model as it relates to the impairment of financial assets. The new impairment model does not apply to equity investments.

IFRS 9 amends the requirements for hedge effectiveness and consequently the application of hedge accounting. The IAS 39 effectiveness test is replaced with a requirement for an economic relationship between the hedged item and the hedging instrument, and for the “hedged ratio” to be the same as that used by the Company for risk management purposes.

The new standard requires alignment between the risk management objective of an individual hedging relationship and the risk management strategy of the Company. When assessing hedge effectiveness under IFRS 9, the Company is required to ensure credit risk due to counterparty or own creditworthiness does not dominate the change in fair value of either the hedged item or the hedging instrument. Generally, the mechanics of hedge accounting remain unchanged.

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Impairment of financial assets

The Company has financial assets under “accounts and other receivables” that are subject to the expected credit loss model under IFRS 9. The Company has applied the simplified approach to measuring the expected credit losses which uses lifetime expected loss allowance for all trade receivables and financial investments. To measure the expected credit losses, trade receivables have been grouped based on similar credit risk characteristics and days past due. The revised impairment methodology has not resulted in additional credit loss in trade receivables and financial investments.

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. However in accordance with transition provisions under IFRS 9, the Company has elected not to restate the comparative years.

c) Accounting Convention:

These financial statements have been prepared under the historical Cost convention. The accounting policies have been consistently applied by the Company.

d) Revenue recognition:

Income is recognized when it is earned, not necessarily when received. Expenses and charges have been recognized when it was incurred, not necessarily when paid.

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs.

It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step 1: Identify the contract with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognize revenue as and when the Group satisfies a performance obligation.

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e) Leases:

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether and Arrangement contains a Lease, SIC - 15 Operating Leases - Incentives and SIC - 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option and lease contracts for which the underlying asset is of low value.

f) Other Income

Other Income is recognized on an accrual basis or when the Company's right to receive payment is established.

g) Property, Plant & Equipment:

Property, Plant & Equipment is stated at historical cost less accumulated depreciation and identified impairment loss, if any. The cost comprises of purchase price, levies, duties and any directly attributable costs of bringing the asset to its working condition. The cost of property, plant & equipment is depreciated using the Straight Line Method basis over their estimated useful economic lives as follows:

- Furniture & Fittings : 5 Years
- Motor Vehicles : 5 Years
- Hardware & Software : 5 Years

The Carrying value of Property, Plant & Equipment is viewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining net profit.

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Repairs and renewals are charged to the statement of profit or loss and other comprehensive income when the expenditure is incurred.

h) Related Party Transactions:

The company, in its normal course of business, enters in to transactions with the companies that fall under the definition of "Related Party" of International Accounting Standard 24. Related parties comprise companies and entities under the common ownership and/or common management and in which control and management vested with the share holders or the key managerial personnel.

i) Intangible Assets:

Trademarks acquired are initially recognized at cost and are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight line method over 10 years.

j) Foreign Currency Transactions:

Foreign currency transactions are recorded in UAE Dirham at the approximate rate of exchange ruling at the time of the transaction. Assets and liabilities expressed in foreign currencies at the Statement of Financial Position date are converted into UAE dirham at the year end rate of exchange. All foreign currency gains and losses are booked in the statement of income as they arise.

k) Revenues:

Income represents the services rendered during the year, net of discounts and indentive income.

l) Accounts Receivables:

The schedule of Accounts Receivables represents amounts falling due as on the date of Statement of Financial Position. Accounts Receivables are normally requiring the amounts to be received within 120 days of the date of invoice. Bad debts are written off as and when they arise. Accounts Receivables are stated net of provision for doubtful debts and discounts.

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m) Employees' Terminal benefits:

Provision is made in accounts for end of service benefits due to employees in accordance with UAE federal labour Laws No (8) year 1980 and DDA Rules and Regulations. Provision is made for amounts payable under the UAE Labour Law applicable to employees Accumulated year of service at the statement of financial position date.

n) Rounding off:

The figures stated in the attached Financial Statements are rounded off to the nearest UAE Dirham.

o) Fair Value of financial instruments:

The value of all classes of financial assets and financial liabilities, as recorded in the Statement of Financial Position approximate the fair value of these assets and liabilities.

p) General:

In the opinion of the management all the assets as shown in the Financial Statements are existing and realizable at the amount shown against and there are no liabilities against the Company contingent or otherwise not included in the above Financial Statements.

q) Profit and Loss account:

The Company's profit or loss is arrived at after charging all expenses incurred in day to day operations of the business and in maintaining Property, Plant and Equipment.

r) Accounts payables:

The schedule of Accounts payable represents amounts falling due as on the date of Statement of Financial Position. Accounts payable are normally settled within 120 days. Liabilities are recognized for amounts to be paid in the future for goods or services whether or not billed to the Company.

s) Inflationary Factor:

No adjustments have been made in these Financial Statements to identify the inflationary factor.

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t) Key Sources of Estimation Uncertainty

The entity management set out the entity's overall business strategies and its risk management policy. The Entity's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the entity. The entity policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the entity's policy guidelines are complied with.

There has been no change to the entity's exposure to the financial risks or the manner in which it manages and measures the risk.

The entity is exposed to the following risks related to financial instruments. The entity has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The entity does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Foreign Currency risk management

The entity undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rest with the management which has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long term funding and liquidity management requirements. The entity manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the entity's financial assets and financial liabilities. The contractual maturities of the financial assets and financial liabilities have been determined on the basis of the remaining period at the financial position date based on contractual repayment agreements were as follows:

EMDI (Overseas) FZ - LLC
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Particulars	Interest Bearing			Non Interest Bearing			Total
	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	On Demand or Less than 3 Months	Within 1 Year	More than 1 Year	
As at 31st March 2020							
Financial Assets							
Cash and Bank Balances	-	-	-	86,928	-	-	86,928
Accounts Receivables	-	-	-	103,734	175,490	-	279,224
TOTAL	-	-	-	190,662	175,490	-	366,152
Financial Liabilities							
Accounts Payables	-	-	-	126,530	27,000	-	153,530
TOTAL	-	-	-	126,530	27,000	-	153,530

c) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the entity. The Entity's exposure are continuously monitored and their credit exposure is reviewed by the management regularly and the entity maintains and allowances for doubtful debts based on expected collectability of all Accounts Receivables .

Accounts Receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of Accounts Receivables. Further details of credit risk on trade and other receivable are disclosed in the notes to Financial Statements.

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The Company is exposed to credit risk on its Cash at Bank and Accounts Receivables as follows:

Particulars	31st March 2020	31st March 2019
	AED	AED
Cash at Bank	86,468	56,014
Accounts Receivable	279,224	295,284
TOTAL	365,692	351,298

With respect to credit risk arising from the other financial assets of the Company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

d) Capital risk management

The Company's objectives when managing capital to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt consistent with others in the industry; the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank.

The Company manages its capital structure and makes adjustments to it, in light of changed in economic conditions. No Changes were made in the objectives, Policies or Processes during the years ended 31st March 2020 and 31st March 2019. Capital Consists of Share Capital Account, Shareholders Loan Account and Retained Earnings are measured at **Debit balance of AED. 430,843/-** as at 31st March 2020. (March 2019: Debit Balance of AED. 420,356/-).

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e) Impairment of Accounts Receivables

An estimate of the collectible amount of Accounts Receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed individually and a provision applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross Accounts Receivables was AED. 279,224/- (2019: AED. 295,284/-), with provision for doubtful debts AED. 37,700/- (2019: AED. 37,700/-). Any difference between the amounts actually collected in future years and the amounts expected will be recognized in the statement of comprehensive income

f) Useful Lives of Property and Equipment

The Company's management determines the estimated useful lives of its property and equipment for calculating depreciation. This Estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

u) **Contingencies and commitments:**

As at 31st March 2020 the Company doesn't have any commitments other than the cheques issued which are not yet presented in the bank for collection.

v) **Exchange Rate Risk:**

Since the main currencies of the financial instruments, other assets, liabilities and trading transactions including purchase and sales are UAE Dirhams and US Dollars, the Company is not exposed to any significant exchange rate risk.

w) **Financial Charges:**

The Financial Charges includes finance cost, interest on Loan and other charges related to finance and the bank charges.

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x) Corresponding Figures

The corresponding figures of the previous year are comparable as these comprise the financial position and operating results for the year ended 31st March 2019, while the current figures comprised the financial position and operating results for the year ended 31st March 2020. Reclassification has been made wherever necessary, for the purpose of better presentation of financial information.

y) Subsequent Events:

There were no significant events subsequent to the year ended 31st March 2020 and occurring before the date of signing of the financial statements that would have a significant impact on these financial statements.

4. Share Capital

Authorized, Subscribed, Issued, Paid up Share Capital;

-50 Shares of AED. 1,000/- each

31st March 2020

AED. 50,000/-

Shareholder and its holdings;

M/s. Greycells Education Limited, Incorporated in India

: 50 shares

AED. 50,000/-

Total

: 50 shares

AED. 50,000/-

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5. Property, Plant and Equipment

	Furniture & Fittings AED	Motor Vehicles AED	Hardware & Software AED	Total AED
Cost				
Opening Value	214,415	19,000	20,489	253,904
Additions	-	-	-	-
Deletions	-	-	-	-
Total Cost	214,415	19,000	20,489	253,904
Depreciation				
Accumulated as on 01st April 2019	208,526	7,607	14,930	231,063
Charge for the year	516	3,804	1,728	6,048
Accumulated as on 31st March 2020	209,042	11,411	16,658	237,111
Closing Value				
As on 31st March 2019	5,889	11,393	5,559	22,841
As on 31st March 2020	5,373	7,589	3,831	16,793

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	Mar-20	Mar-19
	AED	AED
6. Intangible Assets		
Trademark	13,200	16,500
Less: Written off	(3,300)	(3,300)
	9,900	13,200
7. Cash and Cash Equivalents		
Cash in hand		
Fixed Deposits	460	1,084
Cash at Bank	-	50,000
	86,468	56,014
	86,928	107,098
Cash and Cash Equivalents are items, which are readily convertible to known amounts of Cash and which are subject to insignificant risk of change in value.		
Bank Reconciliation :		
Bank Balance as per bank statement	85,968	-
Less: Cheque deposited but not cleared by bank	500	-
Bank balance as per books of Accounts	86,468	-
8. Accounts & Other Receivables		
Accounts Receivables	279,224	295,284
Less: Provision for Doubtful Debts	(37,700)	(37,700)
	241,524	257,584
Ageing Analysis:		
0 - 30 days		
31 - 60 days	40,520	75,355
61 - 90 days	58,630	38,491
90 - 120 days	4,584	9,873
	175,490	171,565
	279,224	295,284

The company uses an allowance account when recognizing impairment losses on its receivables unless otherwise determined that the likelihood of collection is remote, in which the Company directly charges the loss against its receivables. The company writes off receivables if after exhausting prudent collection procedures, the Management assessed that the possibility of collection is remote.

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31st March 2020

	Mar-20	Mar-19
	AED	AED
9. Other Current Assets		
Deposits		
Other Advances	32,500	27,500
Prepayments	-	500
VAT Receivable	121,346	117,928
Interest Accrued	-	22,919
	-	1,285
	153,846	170,132
10. Accounts & Other Payables		
Accounts Payable		
Other Payables	153,530	137,984
	37,704	38,950
	191,234	176,934
<i>Ageing Analysis:</i>		
<i>0 - 30 days</i>		
<i>31 - 60 days</i>	34,075	78,387
<i>61 - 90 days</i>	51,897	32,597
<i>90 - 120 days</i>	40,558	27,000
	27,000	-
	153,530	137,984
11. Other Current Liabilities		
Fees received in Advance		
Loan from Third Parties	-	20,513
Deferred Revenue	342,310	77,950
Vat Liability	366,792	422,444
	1,685	-
	710,787	520,907
12. Accruals & Provisions		
Accrued Expenses		
	-	130,300
	-	130,300

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	Mar-20	Mar-19
	AED	AED
13. Provision for Employee Benefits		
Provision for Employee Benefits	37,813	163,070
	37,813	163,070

The Provision for end of service benefits for employees is made in accordance with the requirements of the UAE Labour Laws. This is an unfunded defined benefits retirement plan. Employees are entitled to benefits based on the length of service and final remuneration. Accrued employees' terminal benefits are payable on termination of employment.

14. Shareholders Loan Account

Balance at the beginning of the year	683,562	26,258
Add: Interest charged	10,011	14,432
Add: Additional Loan taken during the year	163,204	642,872
Balance at the end of the year	856,777	683,562

15. Retained Earnings

Balance at the beginning of the year	(1,153,918)	(5,107)
Add: Net Loss for the year	(183,702)	(1,148,811)
Balance at the end of the year	(1,337,620)	(1,153,918)

F. Revenue

Course Fees	1,343,851	1,582,610
Income from Training Events	-	15,380
	1,343,851	1,597,990

G. Cost of Revenue

Direct Expenses	345,385	465,873
	345,385	465,873

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	Mar-20	Mar-19
	AED	AED
H. Other Income		
Rental Income	2,905	3,800
Miscellaneous Income	1,226	2,693
Student Visa Income	79,700	84,717
Management Fees	15,000	-
Written Off	207,290	-
Interest Income	12	625
	306,133	91,835
I. Employee Cost & Benefits		
Salaries & Benefits	443,433	758,155
	443,433	758,155
J. General and Administration Expenses		
Rent	335,707	367,010
Communication Cost	44,722	41,961
Printing & Stationery	5,843	11,616
Repair & Maintenance	1,130	2,152
Insurance Charges	2,050	3,253
Audit Fees	21,000	21,000
VAT Audit Fees	-	11,250
License, Professional & Legal Charges	164,752	739,274
Travelling and Conveyance Expenses	13,329	19,841
General Expenses	29,345	21,642
	617,878	1,238,999

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Notes to the Financial Statements

	Mar-20	Mar-19
	AED	AED
K. Selling and Distribution Expenses		
Advertising and Marketing Expenses	227,248	279,543
	227,248	279,543
L. Managerial Remuneration		
Managerial Remuneration	92,400	51,000
	92,400	51,000
<i>* Transactions with key Managerial Personal</i>		
<i>Key managerial personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. Key managerial personnel is manager of the company.</i>		
M. Financial Charges		
Finance Cost *	97,994	35,829
	97,994	35,829

** Finance Cost includes bank charges, interest on loan, other charges related to finance.*

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Performance Analysis

Particulars	Mar-20	Mar-19
	AED	AED
Sales	1,343,851	1,597,990
Cost of Sales	345,385	465,873
Gross Profit	998,466	1,132,117
Gross Profit Ratio	74.30%	70.85%
Other Income	306,133	91,835
Indirect Expenses	1,488,301	2,372,763
Net Loss	(183,702)	(1,148,811)
Liquidity Ratios		
Current Ratio	0.53	0.65
Current Assets / Current Liabilities		
Quick Ratio or Liquid Ratio	0.41	0.49
(Cash + Marketable Securities + Accounts receivables) / Current Liabilities		
Debt-to-Asset Ratio	1.85	1.74
Total Liabilities / Total Assets		
RATES OF RETURN		
Return on Equity	0.43	2.73
Net Income / Total Shareholder Equity		