

**BLS INTERNATIONAL FZE
AND ITS SUBSIDIARIES**
Sharjah - United Arab Emirates
Consolidated Financial Statements and
Independent Auditors' Report
For the year ended March 31, 2017

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

**Consolidated Financial Statements and Independent Auditors' Report
For the year ended March 31, 2017**

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Independent Auditors' Report

To

**The Shareholders of BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

Report on the Audit of the Consolidated Financial Statements

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **BLS International FZE and its Subsidiaries** (the Group) as at March 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

We have audited the financial statements of the Group, which comprise the consolidated statement of financial position as at March 31, 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Basis for 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 consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. The consolidated financial statements of the subsidiaries outside UAE have not been independently audited as at the year ended March 31, 2017 and having consolidated on the basis of unaudited financial statements provided by the management. We have not performed any additional procedures on the financial statements of these subsidiaries. As of March 31, 2017, the total net worth of these subsidiaries are AED 4,920,250/- and the net profits from operations are AED 820,330/-.
2. The commercial operations of the subsidiary, BLS International Services Australia PTY. LTD, have been suspended from the year ended March 31, 2015. The validity of going concern assumption is dependent upon the shareholder's decision to resume its operations in the coming years.



Independent Auditors' Report (continued)

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Implementing Regulations of Free Trade Zone pursuant to the Emiri Decree No. 6 of 1995, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Report on Other Legal and Regulatory Requirements

Further, as required by the Emiri Decree No. 6 of 1995, we report that:

- (i) We have obtained all the information we considered necessary for the purpose of our audit.
- (ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Free Zone Establishment Implementing procedures pursuant to the Emiri Decree No. 6 of 1995.
- (iii) The Group maintained proper books of accounts.
- (iv) Based on the information that has been 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 March 31, 2017, any of the requirements of Free Zone Establishment Implementing procedures pursuant to the Emiri Decree No. 6 of 1995, which would materially affect its activities or its financial position as at March 31, 2017.

Dubai
May 08, 2017

Ref: HAMT/BSH/217/263



Vijay Anand
For HLB Hamt
Chartered Accountants
Signed by Vijay Anand
Partner
[Reg. No. 654]

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

**Consolidated Statement of Financial Position
As at March 31, 2017
(In Arab Emirates Dirhams)**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Assets			
Non-current assets			
Property and equipment	5	7,665,440	6,241,486
Intangible asset	6	3,712,335	4,897,438
Investments in associate	7	16,340,420	-
Available for sale financial asset	8	-	-
Accounts and other receivables- non current portion	10	-	16,340,420
Total non-current assets		<u>27,718,195</u>	<u>27,479,344</u>
Current assets			
Accounts and other receivables - current portion	10	24,400,572	14,863,130
Other financial assets	11	2,151,750	258,000
Cash and cash equivalents	12	33,066,099	22,896,990
Total current assets		<u>59,618,421</u>	<u>38,018,120</u>
Total Assets		<u>87,336,616</u>	<u>65,497,464</u>
Equity and Liabilities			
Equity			
Share capital	1	25,000	25,000
Foreign currency translation reserve		(962,022)	(855,831)
Retained earnings		82,379,810	58,828,186
Total shareholder's equity		<u>81,442,788</u>	<u>57,997,355</u>
Non-controlling interest		77,031	56,468
Total Equity		<u>81,519,819</u>	<u>58,053,823</u>
Non-current liability			
Provision for employees' end of service indemnity	14	577,742	556,911
Total non-current liability		<u>577,742</u>	<u>556,911</u>
Current liabilities			
Borrowings	15	-	1,612,750
Accounts and other payables	16	5,239,055	5,273,980
Total current liabilities		<u>5,239,055</u>	<u>6,886,730</u>
Total Liabilities		<u>5,816,797</u>	<u>7,443,641</u>
Total Equity and Liabilities		<u>87,336,616</u>	<u>65,497,464</u>

The accompanying notes form an integral part of these consolidated financial statements.

The consolidated financial statements on pages 3 - 34 were approved by the management on May 07, 2017 and signed on its behalf by:

Chief Financial Officer

Director

BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates

Consolidated Statement of Comprehensive Income
For the year ended March 31, 2017
(In Arab Emirates Dirhams)

	<u>Note</u>	<u>2017</u>	<u>2016</u>
Service revenue	17	290,383,213	283,313,977
Direct expenses	18	(235,468,412)	(239,300,450)
Other income	19	1,004,206	46,171
General, selling and administrative expenses	20	(29,263,608)	(24,429,453)
Depreciation and amortization	22	<u>(2,352,987)</u>	<u>(1,934,651)</u>
Profit from operations		24,302,412	17,695,594
Finance income	23	329	64
Finance cost	24	<u>(40,554)</u>	<u>(27,971)</u>
Profit for the year		<u>24,262,187</u>	<u>17,667,687</u>
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		<u>(106,191)</u>	<u>(540,326)</u>
Total comprehensive income for the year		<u>24,155,996</u>	<u>17,127,361</u>
Profit for the year attributable to:			
Equity holder		24,241,624	17,660,320
Non- controlling interest		<u>20,563</u>	<u>7,367</u>
		<u>24,262,187</u>	<u>17,667,687</u>
Total comprehensive income for the year attributable to:			
Equity holder		24,135,433	17,119,994
Non- controlling interest		<u>20,563</u>	<u>7,367</u>
		<u>24,155,996</u>	<u>17,127,361</u>

The accompanying notes form an integral part of these consolidated financial statements.

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

**Consolidated Statement of Changes in Equity
For the year ended March 31, 2017
(In Arab Emirates Dirhams)**

	<u>Share capital</u>	<u>Foreign currency translation reserve</u>	<u>Retained earnings</u>	<u>Total shareholder's equity</u>	<u>Non-controlling interest</u>	<u>Total</u>
Balance as at March 31, 2015	25,000	(315,505)	41,857,866	41,567,361	49,101	41,616,462
Profit for the year	-	-	17,660,320	17,660,320	7,367	17,667,687
Dividend paid	-	-	(690,000)	(690,000)	-	(690,000)
Foreign currency translation	-	(540,326)	-	(540,326)	-	(540,326)
Balance as at March 31, 2016	25,000	(855,831)	58,828,186	57,997,355	56,468	58,053,823
Profit for the year	-	-	24,241,624	24,241,624	20,563	24,262,187
Dividend paid	-	-	(690,000)	(690,000)	-	(690,000)
Foreign currency translation	-	(106,191)	-	(106,191)	-	(106,191)
Balance as at March 31, 2017	25,000	(962,022)	82,379,810	81,442,788	77,031	81,519,819

The accompanying notes form an integral part of these consolidated financial statements.

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

**Consolidated Statement of Cash Flows
For the year ended March 31, 2017
(In Arab Emirates Dirhams)**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
<i>Cash flows from operating activities</i>			
Profit for the year		24,262,187	17,667,687
Adjustments for:			
Depreciation and amortization	22	2,352,987	1,934,651
Loss on disposal of property and equipment	20	18,956	-
Finance income	23	(329)	(64)
Finance cost	24	40,554	27,971
Impairment on available for sale financial assets	20	-	18,390
Bad debts written off	20	-	1,544,742
Provision for employees' end of service indemnity	14	<u>127,423</u>	<u>140,128</u>
Operating cash flows before payment of employees' end of service indemnity and changes in working capital		26,801,778	21,333,505
Working capital changes:			
Accounts and other receivables	10	(9,537,442)	(4,781,787)
Accounts and other payables	16	<u>(34,925)</u>	<u>(782,842)</u>
Cash generated from operating activities before payment of employees' end of service indemnity		17,229,411	15,768,876
Payment of employees' end of service indemnity	14	<u>(106,592)</u>	<u>(140,440)</u>
Net cash generated from operating activities		<u>17,122,819</u>	<u>15,628,436</u>
<i>Cash flows from investing activities</i>			
Movements in other financial assets	11	(1,893,750)	30,000
Additions to property and equipment	5	(2,277,381)	(2,181,425)
Additions to intangible assets	6	(356,552)	(278,921)
Disposal of property and equipment	5	5,000	-
Finance income	23	<u>329</u>	<u>64</u>
Net cash used in investing activities		<u>(4,522,354)</u>	<u>(2,430,282)</u>
<i>Cash flows from financing activities</i>			
Dividend paid		(690,000)	(690,000)
Movements in bank borrowings	15	(1,612,750)	1,612,750
Finance cost	24	<u>(40,554)</u>	<u>(27,971)</u>
Net cash (used in) / generated from financing activities		(2,343,304)	894,779
Effect of exchange rate changes on cash and cash equivalents		<u>(88,052)</u>	<u>(424,605)</u>
Net increase in cash and cash equivalents		10,169,109	13,668,328
Cash and cash equivalents at the beginning of the year		<u>22,896,990</u>	<u>9,228,662</u>
Cash and cash equivalents at the end of the year	12	<u>33,066,099</u>	<u>22,896,990</u>

The accompanying notes form an integral part of these consolidated financial statements.

**BLS International FZE and its Subsidiaries
Sharjah - United Arab Emirates**

**Notes to the Consolidated Financial Statements
For the year ended March 31, 2017**

1. Establishment and operations

BLS International FZE and its Subsidiaries (the Parent Establishment) was incorporated and registered with the Hamriyah Free Zone Authority, Sharjah - United Arab Emirates on September 07, 2011, as a Free Zone Establishment, under License No. 8283.

The share capital of the Establishment is AED 25,000/- divided into 1 share of AED 25,000/- each held in the name of BLS International Services Limited, India (the ultimate Parent Company).

The address of the registered office of the Establishment is P.O. Box 52101, Hamriyah Free Zone, Sharjah - United Arab Emirates.

The principal activity of the Establishment is providing management consultancy services. The Group is mainly providing Visa, Passport renewal and other documentation services to Indian, Spanish and Danish embassies in various countries.

BLS International FZE (the Group) consist of the following subsidiaries;

<u>Name of Subsidiaries</u>	<u>Legal status</u>	<u>Location</u>	<u>Percentage of Holding</u>	<u>Principal Activities</u>
BLS International Services*	Establishment	UAE	100%	Provide services related to visa and passport processing with Indian Embassy / Consulate.
BLS International Services Australia PTY. LTD	Proprietary Company	Australia	100%	Providing visa services to Danish Embassy.
BLS International Services Norway AS.	Limited Liability Company	Norway	75%	To serve Indian Embassy in Norway and facilitate in Embassy support services.
BLS International Services Singapore PTE. LTD.	Limited Liability Company	Singapore	100%	Provides services related to passport and visa processing with Indian Embassy/Consulate.
BLS International Services Canada INC.	Company	Canada	100%	Provides services related to passport and consular processing with Indian Embassy/Consulate.
BLS International Services Malaysia SDN BHD	Company	Malaysia	100%	Provides services related to passport and consular processing with Indian Embassy/Consulate.

*This subsidiary maintains eight additional licenses (three establishments and five branches in U.A.E), for regulating the principal activities of the Establishment.

The 100% beneficial ownership of these subsidiaries is vested with the Parent, except BLS International Services Norway AS., Norway.

2. Adoption of new and revised International Financial Reporting Standards and Interpretations

2.1 Standards and interpretations effective in the current year

The Group has adopted the following new and amended IFRS's in these consolidated financial statements:

2. Adoption of new and revised International Financial Reporting Standards and Interpretations (continued)

2.1 Standards and interpretations effective in the current year (continued)

(a) IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

(b) Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests:

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are applied prospectively. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

(c) Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization:

The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are applied prospectively and do not have any impact on the Group, since it has not used a revenue-based method to depreciate its non-current assets.

2. Adoption of new and revised International Financial Reporting Standards and Interpretations (continued)

2.1 Standards and interpretations effective in the current year (continued)

(d) Amendments to IAS 16 and IAS 41 Agriculture-Bearer Plants:

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 Agriculture. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are applied retrospectively and do not have any impact on the Group as it does not have any bearer plants.

(e) Amendments to IAS 27: Equity Method in Separate Financial Statements:

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively. These amendments do not have any impact on the Group's financial statements.

(f) Annual Improvements Cycle- 2012-2014:

These improvements include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations:

Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is to be applied prospectively.

IFRS 7 Financial Instruments: Disclosures:

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

2. Adoption of new and revised International Financial Reporting Standards and Interpretations (continued)

2.1 Standards and interpretations effective in the current year (continued)

(f) Annual Improvements Cycle- 2012-2014: (continued)

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements:

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

IAS 19 Employee Benefits:

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

IAS 34 Interim Financial Reporting:

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

These amendments do not have any impact on the Group.

(g) Amendments to IAS 1 Disclosure Initiative:

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1.
- That specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements.
- That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income. These amendments do not have any impact on the Group.

2. Adoption of new and revised International Financial Reporting Standards and Interpretations
(continued)

2.1 Standards and interpretations effective in the current year (continued)

(h) Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception:

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated.

All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the Group as the Group does not apply the consolidation exception.

2.2 New and revised IFRS in issue but not effective and not early adopted

The following standards, amendments thereto and interpretations have been issued prior to March 31, 2017 but have not been applied in these consolidated financial statements as their effective dates of adoption are for future periods. The impact of the adoption of the below standards is currently being assessed by the management. It is anticipated that their adoption in the relevant accounting periods will impact only the disclosures within the financial statements.

	<u>Effective for annual periods beginning</u>
IAS 7 Disclosure Initiative - Amendments to IAS 7	January 01, 2017
IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses - Amendments to IAS 12	January 01, 2017
IFRS 9- Financial Instruments	January 01, 2018
IFRS 15- Revenue from Contracts with Customers	January 01, 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2	January 01, 2018
Transfers of Investment Property (Amendments to IAS 40)	January 01, 2018
IFRS 16 Leases	January 01, 2019
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Indefinitely deferred

3. Basis of presentation and significant accounting policies

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) and the requirements of the Implementing Regulations of Free Trade Zone pursuant to the Emiri Decree No. 6 of 1995.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3.3 Functional and presentation currency

These consolidated financial statements are prepared and the items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). These consolidated financial statements are presented in UAE Dirhams (AED), which is the Group's functional and presentation currency.

3.4 Basis of consolidation

These consolidated financial statements incorporate the financial statements of **BLS International FZE and its Subsidiaries** (Note - 1) (the Parent) and the entities controlled by the Parent. Control is achieved when the Parent:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent obtains control, and continue to be consolidated until the date when such control ceases. The Parent reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. Basis of presentation and significant accounting policies (continued)

3.4 Basis of consolidation (continued)

When the Parent has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent considers all relevant facts and circumstances in assessing whether or not the Parent's voting rights in an investee are sufficient to give it power, including:

- The size of the Parent's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Parent, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Parent has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at the previous Shareholders' meeting.

When the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in consolidated statement of comprehensive income;
- Reclassifies the Parent's share of components previously recognized in other comprehensive income to profit and loss or retained earnings, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those adopted at Group level.

3.4.1 Eliminations on consolidation

Inter-entity transactions, balances, income and expenses from transactions between entities are eliminated. Profits and losses resulting from inter-entity transactions that are recognized in the assets are also eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. Basis of presentation and significant accounting policies (continued)

3.5 Revenue recognition

Revenue is recognized in the consolidated statement of comprehensive income at the fair value of the consideration received or receivable, provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

3.5.1 Revenue from services

The Group manages the administrative function of the visa and passport applications process for various countries. Revenue comprises of the value of services provided mainly from renewal of passports, processing of visa application and other value added services including courier and SMS services and recognized upon invoicing to the customers. Revenue has been based on the gross invoices made during the year.

3.5.2 Finance income

Interest income is accrued on a time basis, based on the principal outstanding and at the effective interest rate applicable. Finance income comprises interest income from banks and is recognized as an income in the year in which it is accrued.

3.6 Direct expenses

Direct expenses include direct operating expenses incurred in generating revenue. Expenses that are not immediately attributable to the generating of revenue are not included in the gross profit as reported. Direct expenses are recognized over the term that the associated revenue is recognized.

3.7 Provision for employees' end of service indemnity

Estimated amounts required to cover employees' end of service indemnity at the date of consolidated statement of financial position are computed pursuant to the UAE Federal Labour Law No. 8 of 1980 based on the employees' accumulated period of service and current remuneration at the date of consolidated statement of financial position.

The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

3.8 Investment in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the cost model of accounting. Under the cost method, investment in associates is carried in the consolidated statement of financial position at cost less impairment.

3. Basis of presentation and significant accounting policies (continued)

3.8 Investment in associates (continued)

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss in the consolidated statement of comprehensive income.

Dividends or other direct payments received from associates are recognized as income from financing and investing activities and presented in the consolidated statement of comprehensive income.

3.9 Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortization is charged on a straight-line basis over their estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis. The amortization expense on intangible assets with finite lives is recognized in the consolidated statement of comprehensive income as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of comprehensive income when the asset is de-recognized.

3.9.1 Software

Acquired software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over their estimated useful lives which are normally a period of 3 to 6 years.

3. Basis of presentation and significant accounting policies (continued)

3.10 Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and any identified impairment loss.

Property and equipment are depreciated using straight-line method over the expected useful lives of the assets as under:

Buildings	32 years
Furniture and fixtures	15-16 years
Vehicles	10 years
Office equipment	20-22 years
Leasehold improvements	10 years

The residual values, useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from these assets, and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Maintenance and repairs are charged to expenses as incurred and renewals and improvements, which extend the life of the asset, are capitalized and depreciated over the remaining life of the asset.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income.

3.11 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. Basis of presentation and significant accounting policies (continued)

3.11 Impairment of non-financial assets (continued)

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.12 Foreign currencies

3.12.1 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of outstanding amounts of such transactions and from the re-translation of monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are recognized in the consolidated statement of comprehensive income. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.12.2 Group companies

On consolidation, the assets and liabilities of foreign operations are translated into the functional currency at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in consolidated statement of comprehensive income. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

3. Basis of presentation and significant accounting policies (continued)

3.13 Finance cost

Finance costs are recognized as an expense in the period in which they are accrued.

3.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

3.14.1 Operating lease

(a) The Group as lessee:

Leases of assets under which the lessor effectively retains all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognized in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

3.15 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

3.15.1 Financial assets

The Group's financial assets include accounts and other receivables (excluding advances and prepayments), due from related parties and other financial assets classified as 'loans and receivables', and bank balances, cash in transit and cash in hand referred as 'cash and cash equivalents'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(a) Loans and receivables

Loans and receivables that have fixed or determinable payments are initially measured at fair value plus transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3. Basis of presentation and significant accounting policies (continued)

3.15 Financial instruments (continued)

3.15.1 Financial assets (continued)

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3.15.2 Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset (a 'loss event'), the estimated future cash flows of the financial asset have been affected and the impact can be reliably estimated.

(a) Financial assets carried at amortized cost

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For certain categories of financial assets, such as accounts receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial assets is reduced by the impairment loss directly for all financial assets with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through statement of comprehensive income to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. Impairment losses recognized for financial assets carried at cost are not reversed.

3. Basis of presentation and significant accounting policies (continued)

3.15 Financial instruments (continued)

3.15.3 De-recognition of financial assets

The Group de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

3.15.4 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and other financial liabilities measured at amortized cost using the effective interest method.

The Group's financial liabilities include accounts and other payables, due to related parties and loans and borrowings classified as 'other financial liabilities'.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(a) Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using effective interest method except for short term payable where the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

3.15.5 De-recognition of financial liabilities

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

3. Basis of presentation and significant accounting policies (continued)

3.15 Financial instruments (continued)

3.15.6 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

3.16 Current and non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

4. Significant accounting judgments and key sources of estimation uncertainty

4.1 Significant judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 to the consolidated financial statements, management has made the following judgments that have the most significant effect on the amounts recognized in the consolidated financial statements (apart from those involving estimations, which are dealt with below):

4. Significant accounting judgments and key sources of estimation uncertainty (continued)

4.1 Significant judgments in applying the Group's accounting policies (continued)

4.1.1 Contingencies

Contingent assets and liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an inflow or outflow respectively of resources embodying economic benefits is remote.

4.1.2 Provision for employees' end of service indemnity

Provision for employees' end of service indemnity is grouped as a non-current liability on the judgment that the employees of the Group will be continued in the future periods irrespective of their visa expiry dates and other employment terms and conditions.

4.1.3 Leases

Accounting for lease arrangements first involves making a determination, at inception of a lease arrangement, whether a lease is classified an operating lease or a finance lease. The Group has entered into leases over buildings. The Group evaluates of the terms and conditions of the arrangements, such as whether the lease term constitutes a major part of the economic life of the assets and whether the present value of the minimum lease payments amounts to substantially all of the fair value of the assets. Considering the significant risks and rewards of ownership of these assets, the Group considers the lease of buildings as operating lease.

4.1.4 Control over subsidiaries

The Parent follows the guidance of IFRS 10 in determining whether it controls an entity and this determination requires significant judgment. In making this judgment, the Group evaluates , among other factors, the power it has over the investee, the rights to variable returns from its involvement with the entity, and the ability to use its power to affect the returns of the entity. The Parent considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of consolidated statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

4. Significant accounting judgments and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.1 *Property and equipment*

Property and equipment are depreciated over their estimated useful lives, which is based on expected usage of the asset and expected physical wear and tear which depends on operational factors. The management has not considered any residual value as it is deemed immaterial.

4.2.2 *Intangible assets*

Intangible assets are amortized over their estimated useful lives, which is based on expected pattern of consumption of the future economic benefits embodied in the assets.

4.2.3 *Impairment of non-financial assets*

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model and requires estimation of the expected future cash flows from the asset (or of the cash-generating unit) in the forecasted period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The discount rate reflects current market assessments of the time value of money and the risks specific to the asset.

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5. Property and equipment <u>March 31, 2017</u>	<u>Buildings</u>	<u>Furniture and fixtures</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Cost						
As at March 31, 2016	2,093,471	2,661,771	322,946	3,258,459	27,500	8,364,147
Additions	-	317,123	52,000	786,541	1,121,717	2,277,381
Disposals	-	-	(46,900)	-	-	(46,900)
Exchange rate differences	(46,865)	(1,081)	(1,117)	(24,745)	-	(73,808)
As at March 31, 2017	2,046,606	2,977,813	326,929	4,020,255	1,149,217	10,520,820
Accumulated depreciation						
As at March 31, 2016	(39,916)	(670,289)	(89,023)	(1,313,733)	(9,700)	(2,122,661)
Depreciation for the year	-	(225,652)	(26,238)	(328,090)	(73,914)	(653,894)
On disposal	-	-	22,944	-	-	22,944
Exchange rate differences	(63,980)	45,485	(4,334)	(78,940)	-	(101,769)
As at March 31, 2017	(103,896)	(850,456)	(96,651)	(1,720,763)	(83,614)	(2,855,380)
Carrying amount						
As at March 31, 2017	<u>1,942,710</u>	<u>2,127,357</u>	<u>230,278</u>	<u>2,299,492</u>	<u>1,065,603</u>	<u>7,665,440</u>

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5. Property and equipment (continued) <u>March 31, 2016</u>	<u>Buildings</u>	<u>Furniture and</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Leasehold</u>	<u>Total</u>
	<u>AED</u>	<u>fixtures</u>	<u>AED</u>	<u>AED</u>	<u>improvements</u>	<u>AED</u>
Cost						
As at March 31, 2015	-	2,564,884	328,927	3,333,522	27,500	6,254,833
Additions	2,093,471	73,525	-	14,429	-	2,181,425
Exchange rate differences	-	23,362	(5,981)	(89,492)	-	(72,111)
As at March 31, 2016	<u>2,093,471</u>	<u>2,661,771</u>	<u>322,946</u>	<u>3,258,459</u>	<u>27,500</u>	<u>8,364,147</u>
Accumulated depreciation						
As at March 31, 2015	-	(512,695)	(59,047)	(952,713)	(2,807)	(1,527,262)
Depreciation for the year	(39,916)	(157,424)	(26,283)	(292,305)	(6,893)	(522,821)
Exchange rate differences	-	(170)	(3,693)	(68,715)	-	(72,578)
As at March 31, 2016	<u>(39,916)</u>	<u>(670,289)</u>	<u>(89,023)</u>	<u>(1,313,733)</u>	<u>(9,700)</u>	<u>(2,122,661)</u>
Carrying amount						
As at March 31, 2016	<u>2,053,555</u>	<u>1,991,482</u>	<u>233,923</u>	<u>1,944,726</u>	<u>17,800</u>	<u>6,241,486</u>

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6. Intangible asset

	<u>Software</u> <u>AED</u>
Cost	
As at March 31, 2015	8,832,911
Additions	278,921
Exchange rate differences	<u>17,572</u>
As at March 31, 2016	9,129,404
Additions	356,552
Exchange rate difference	<u>(59,593)</u>
As at March 31, 2017	<u>9,426,363</u>
Amortization	
As at March 31, 2015	(2,831,532)
Amortization for the year	(1,411,830)
Exchange rate difference	<u>11,396</u>
As at March 31, 2016	(4,231,966)
Amortization for the year	(1,699,093)
Exchange rate difference	<u>217,031</u>
As at March 31, 2017	<u>(5,714,028)</u>
Carrying amount:	
As at March 31, 2017	<u>3,712,335</u>
As at March 31, 2016	<u>4,897,438</u>

7. Investment in associate

The Group's investment in associate consists of the following entities:

<u>Name</u>	<u>Country of</u> <u>incorporation</u>	<u>Ownership</u> <u>interest</u>	<u>Carrying amount</u>	
			<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
DSS Gulf Realtors Ltd, Dubai	UAE	50%	<u>16,340,420</u>	<u>-</u>
<u>Movements</u>			<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Cost				
Transfer from due from related party*			<u>16,340,420</u>	<u>-</u>
Balance at the end of the year			<u>16,340,420</u>	<u>-</u>

*This represents the loan given to DSS Gulf Realtors Ltd which was transferred from due to related party and converted to equity investment during the year ended March 31, 2017.

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8. Available for sale financial assets	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
<i>Unquoted shares:</i>		
Balance at the beginning of the year	-	18,390
Impairment during the year	-	(18,390)
	<u>-</u>	<u>-</u>
9. Related party transactions	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
(a) Due from related parties:	<u>10,263,344</u>	<u>23,900,175</u>
<i>Presented in the consolidated statement of financial position as:</i>		
Accounts and other receivables (Note 10)	<u>10,263,344</u>	<u>23,900,175</u>
(b) Due to related parties:	<u>323,157</u>	<u>65,079</u>
<i>Presented in the consolidated statement of financial position as:</i>		
Accounts and other payables (Note 16)	<u>323,157</u>	<u>65,079</u>
<p>The Group enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties comprise entities under common ownership and/or common management and control and key management personnel. The shareholders and the management decide on the terms and conditions of the transactions and services received/ rendered from/to related parties as well as on other charges. During the year, the Group entered into the following transactions with the related parties:</p>		
	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
<i>With entities under common management and control:</i>		
Service charges (income)	-	351,105
Consultancy expenses	<u>5,322,755</u>	<u>4,853,472</u>

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10. Accounts and other receivables

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Receivable from customers	4,876,919	519,401
Due from related parties (Note 10)	<u>10,263,344</u>	<u>23,900,175</u>
	15,140,263	24,419,576
Deposits	3,332,470	2,223,142
Advance to suppliers	1,683,182	1,730,841
Employee costs in advance	7,690	-
Prepayments	844,561	613,076
Other receivables	<u>3,392,406</u>	<u>2,216,915</u>
	<u>24,400,572</u>	<u>31,203,550</u>
Current portion	10,263,344	7,559,755
Non-current portion	<u>-</u>	<u>16,340,420</u>

Age-wise analysis of accounts receivable

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Not past due	4,876,919	245,944
Past due but not impaired:		
<i>Less than 180 days</i>	-	11,531
<i>More than 180 days</i>	<u>-</u>	<u>261,926</u>
	<u>4,876,919</u>	<u>519,401</u>

The average credit period is 90 days. No interest is being charged on accounts receivable. Allowances for doubtful debts are recognized against accounts receivable above 360 days based on estimated irrecoverable amounts determined with reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Accounts receivable disclosed above include amounts (see above for aged analysis) that are past due at the end of the reporting period for which the Group has not recognized the allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

11. Other financial assets

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Term deposit	1,836,750	-
Margin deposit	<u>315,000</u>	<u>258,000</u>
	<u>2,151,750</u>	<u>258,000</u>

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**Notes to the Consolidated Financial Statements (continued)
For the year ended March 31, 2017**

12. Cash and cash equivalents

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Cash in hand	865,323	599,575
Bank balances:		
In current accounts	<u>32,200,776</u>	<u>22,297,415</u>
	<u>33,066,099</u>	<u>22,896,990</u>

*Bank balances as at March 31, 2017 include cash in transit amounting to AED 82,960/- which represents the funds sent by BLS International Services Malaysia SDN BHD to BLS International FZE.

13. Foreign currency translation reserve

Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Foreign currency differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity.

14. Provision for employees' end of service indemnity

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Opening balance	556,911	557,223
Charges for the year	127,423	140,128
Payments during the year	<u>(106,592)</u>	<u>(140,440)</u>
	<u>577,742</u>	<u>556,911</u>

15. Borrowings

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Unsecured loan	-	334,235
Secured loan	-	1,278,515
	<u>-</u>	<u>1,612,750</u>

16. Accounts and other payables

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Payable to suppliers	3,188,314	3,625,921
Due to related parties (Note 9)	<u>323,157</u>	<u>65,079</u>
	3,511,471	3,691,000
Staff payables	797,784	841,749
Accruals	554,336	724,564
Other payables	<u>375,464</u>	<u>16,667</u>
	<u>5,239,055</u>	<u>5,273,980</u>

17. Service revenue

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Service charges*	287,305,858	279,960,998
Others	<u>3,077,355</u>	<u>3,352,979</u>
	<u>290,383,213</u>	<u>283,313,977</u>

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17. Service revenue (continued)

*Services charges represent gross invoicing made to the customers for visa and passport processing services.

18. Direct expenses

	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
Visa and passport processing charges	224,640,290	238,526,686
Other direct expenses	<u>10,828,122</u>	<u>773,764</u>
	<u>235,468,412</u>	<u>239,300,450</u>

19. Other income

	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
Miscellaneous	<u>1,004,206</u>	<u>46,171</u>

20. General, selling and administrative expenses

	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
Staff cost (Note 21)	16,901,190	15,115,181
Rent	3,981,158	3,170,262
License and professional	3,347,323	797,413
Bad and doubtful debts	-	1,544,742
Business promotion	35,950	53,324
Directors fee	55,125	95,389
Preoperative expenses	-	294,656
Bank charges	391,375	364,579
Service fees	251,392	128,435
Commission paid	53,040	387,436
Computer expenses	28,439	68,197
Impairment on available for sale financial assets	-	18,390
Printing and stationery	276,316	432,028
Loss on disposal of property and equipment	18,956	-
Repairs and maintenance	165,025	106,399
Security	243,446	64,688
Software expenses	292,094	75,463
Communications	712,377	571,831
Transport and freight	-	46,331
Training	35,384	13,347
Travel	1,407,714	195,122
Insurance	40,501	53,580
Vehicle maintenance	100,887	61,070
Exchange rate loss	68,295	61,205
Utilities	220,539	173,103
Others	<u>637,082</u>	<u>537,282</u>
	<u>29,263,608</u>	<u>24,429,453</u>

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21. Staff cost

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Salaries and allowances	15,770,368	14,069,039
Staff benefits	534,782	602,721
Others	<u>596,040</u>	<u>443,421</u>
	<u><u>16,901,190</u></u>	<u><u>15,115,181</u></u>

22. Depreciation and amortization

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Depreciation of property and equipment (Note 5)	653,894	522,821
Amortization of intangible assets (Note 6)	<u>1,699,093</u>	<u>1,411,830</u>
	<u><u>2,352,987</u></u>	<u><u>1,934,651</u></u>

23. Finance income

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Interest income	<u>329</u>	<u>64</u>

24. Finance cost

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Interest paid	<u>40,554</u>	<u>27,971</u>

25. Contingent liability

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Labour guarantee	<u>315,000</u>	<u>258,000</u>

Labour guarantee represents the guarantee issued to Ministry of Labour for getting UAE work permit.

26. Operating lease commitments

Group as lessee:

At the date of consolidated statement of financial position, the Group has outstanding commitments under non-cancelable operating leases, which fall due as follows:

	<u>2017</u> <u>AED</u>	<u>2016</u> <u>AED</u>
Within 1 year	3,021,373	1,027,308
Within 2-5 years	<u>-</u>	<u>148,458</u>

27. Financial instruments and risk management

Details of significant policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements.

Categories of financial instruments

	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
Financial assets		
Loans and receivables (less advances and prepayments)	24,024,579	12,777,213
Cash and cash equivalents	<u>33,066,099</u>	<u>22,896,990</u>
	<u>57,090,678</u>	<u>35,674,203</u>
Financial liabilities		
Other financial liabilities	<u>5,239,055</u>	<u>6,886,730</u>

27.1 Capital risk management

The capital is being managed by the Group in such a way that it is able to continue as a going concern while maximizing returns to investor. The Group's overall strategy remains unchanged from previous year.

The capital structure of the Group consists of cash and cash equivalent and equity of the Group (comprising of issued capital and retained earnings).

As risk management policy, the Group reviews its cost of capital and risks associated with each class of capital. The Group balances its capital structure based on the above review.

27.2 Credit risk management

Credit risk in relation to the Group refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

Key areas where the Group is exposed to credit risk are accounts and other receivables, bank balances and other financial assets (liquid assets).

The Group has adopted the policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties.

Details on concentration of accounts receivable balances are disclosed in Note 10. Management believes that the concentration of credit risk is mitigated by high credit worthiness and financial stability of its customers.

27. Financial instruments and risk management (continued)

27.2 Credit risk management (continued)

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE and are highly regulated by the Central Bank.

Accounts receivables, balances with banks and other financial assets are not secured by any collateral. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

27.3 Currency risk exposure

The Group's currency risk exposure relates to the exposure to the fluctuations in the foreign currency rates. There is no significant impact on USD as the UAE Dirham is pegged to the USD.

27.4 Liquidity risk management

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date.

The Group manages the liquidity risk through risk management framework for the Group's short, medium and long term funding and liquidity requirements by maintaining adequate reserves and sufficient cash and cash equivalents to ensure that funds are available to meet its commitments for liabilities as they fall due.

The table below analyses the Group's remaining contractual maturity for its financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	<u>Within 1 year</u>
	<u>AED</u>
As at March 31, 2017	
Other financial liabilities	<u>5,239,055</u>
As at March 31, 2016	
Other financial liabilities	<u>6,886,730</u>

28. Segment information

Operating segment:

The Group operates in the following segments: providing services related to visa and passport processing with Indian Embassy / Consulate and running travel agency, tour operations (mainly outbound) and management consultancy services.

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28. Segment information (continued)

Geographical segment:

The Group operates in the following geographical segments: Middle East, Asia Pacific and Europe.

<u>Segment</u>	<u>2017</u>	<u>2016</u>
	<u>AED</u>	<u>AED</u>
Middle East	155,915,311	153,748,981
Asia Pacific	138,398,429	125,987,143
Europe	<u>3,301,297</u>	<u>3,577,853</u>
	<u>297,615,037</u>	<u>283,313,977</u>

29. Fair value of financial instruments

The fair values of financial instruments approximate their carrying values except as otherwise disclosed in these consolidated financial statements.

30. Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation.