



SUBEX MIDDLE EAST(FZE)
P.O.Box 513156, SAIF Zone, Sharjah
United Arab Emirates

Independent Auditor's Report
and Financial Statements
Year ended 31 March 2021

Al Shuruq Auditing and Accounting
Chartered Accountants
Sharjah Airport International Free Zone
P.O. Box 30001, Sharjah, U.A.E. Tel. 00971 6 5654747
e-mail: info@alshuruqauditing.com, www.alshuruqauditing.com



SUBEX MIDDLE EAST(FZE)
P.O.Box 513156, SAIF Zone, Sharjah
United Arab Emirates

Independent Auditor's Report
and Financial Statements
Year ended 31 March 2021

Table of Contents	Page No.
Report of the Manager	1
Independent Auditor's Report	2- 3
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Cashflows	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8-14

SUBEX MIDDLE EAST(FZE)
REPORT OF THE MANAGER
Year ended 31 March 2021

I have pleasure in submitting this report and the audited financial statements for the year ended 31 March 2021.

Review of business activities

The principal activity of the Establishment is providing IT solutions & related services.

Financial results	31-Mar-21 AED	31-Mar-20 AED
Turnover	11,734,592	12,522,374
Net profit	(350,486)	69,700

Events since the end of the year

There are no significant events since the year ended 31 March 2021.

Shareholder's interest

Name	No. of shares	Amount(AED)	%
M/s. Subex Assurance LLP, India	1	150,000	100%

Authorized, issued and fully paid up share capital of the Establishment is AED 150,000.

Management and its responsibilities

I confirm that I am responsible for the financial statements, including selecting the accounting policies and making the judgments underlying them. I confirm that I have made available relevant accounting records and information for the completion of these audited financial statements.

Statutory compliance

The Establishment has complied with all the rules, regulations, laws, UAE commercial companies laws, SAIF Zone rules and other laws applicable to the activities and related activities of the Company. I believe that there are no violation of the laws.

Auditors

The Auditors, Al Shuruq Auditing and Accounting, Chartered Accountants, United Arab Emirates, are eligible for re-appointment and have expressed their willingness to continue in office in the ensuing year.


Suraj Balachandran
Manager

Authorised Signatory

18 April 2021



Post Box 513156, SAIF Zone, Sharjah, United Arab Emirates



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDER OF SUBEX MIDDLE EAST (FZE), SAIF ZONE, SHARJAH

We have audited the accompanying financial statements of **Subex Middle East (FZE), (the "Establishment")**, which comprise of the statement of financial position as at 31 March 2021, the related statements of comprehensive income, cash flows and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the section 'Auditor's responsibilities for the audit of the financial statements'. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with other ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates ("UAE") and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and applicable provisions of Memorandum and Articles of Association (MOA), the UAE Federal Laws, rules and regulations of Sharjah Airport International Free Zone Establishments, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for overseeing the financial reporting process.

In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, 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 controls;
- obtain an understanding of internal controls 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 internal controls;





- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;

- conclude on the appropriateness of management's use of the going concern basis of accounting head, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment 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 transactions and events in a manner that achieves fair presentation.

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

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with management, we determine if there are any matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We have determined that there are no key audit matters to communicate in our report.

Report on legal and regulatory requirements

As required by the UAE Federal Law No. 2 of 2015, we report that:

1. we have obtained all the information and explanations necessary for the purpose of our audit;
2. the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No.2 of 2015 or of its Memorandum and Articles of Association;
3. the Establishment has maintained proper books of accounts;
4. the financial information included in the Director's report is consistent with the books of account;
5. The Establishment has not purchased or invested in shares during the financial year ended 31 March 2021;
6. Note 11 to the financial statements reflects material related party transactions and the terms under which they were concluded; and
7. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Establishment has contravened, during the year ended 31 March 2021, any of the applicable provisions of the UAE Federal Law No.2 of 2015 and of its Memorandum and Articles of Association, which would materially affect its activities or its financial position as at that date.

Al Shuruq Auditing and Accounting
CA. Lal Thomas, FCA
Registered Auditor No. 774

Sharjah, United Arab Emirates
18 April 2021





SUBEX MIDDLE EAST(FZE)
STATEMENT OF FINANCIAL POSITION
As at 31 March 2021

	Notes	31-Mar-21 AED	31-Mar-20 AED
ASSETS			
Current Assets			
Accounts receivable and prepayments	3	14,429,919	10,003,311
Cash and cash equivalents	4	309,811	364,016
		<u>14,739,730</u>	<u>10,367,327</u>
TOTAL ASSETS		<u>14,739,730</u>	<u>10,367,327</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	5	150,000	150,000
Retained earnings / (loss)	6	197,183	547,669
Shareholders' funds		<u>347,183</u>	<u>697,669</u>
Current Liabilities			
Accounts payable and accruals	7	14,392,547	9,669,658
TOTAL EQUITY AND LIABILITIES		<u>14,739,730</u>	<u>10,367,327</u>

The financial statements are approved by the Directors on 18 April 2021.


Suraj Balachandran
Manager
SUBEX MIDDLE EAST(FZE)
Authorised Signatory



The attached notes 1 to 15 form part of these financial statements.





SUBEX MIDDLE EAST(FZE)
STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2021

	Notes	31-Mar-21 AED	31-Mar-20 AED
Revenue		11,734,592	12,522,374
Cost of sales	8	(10,248,187)	(10,915,763)
GROSS PROFIT/(LOSS)		1,486,405	1,606,611
Administration expenses	9	(1,113,762)	(1,421,410)
Other income	10	208,499	-
PROFIT / (LOSS) FROM OPERATIONS		581,142	185,201
Finance costs: Bank charges		(11,880)	(13,225)
PROFIT BEFORE TAX		569,262	171,976
Tax		(919,748)	(102,276)
NET PROFIT/ (LOSS)		(350,486)	69,700



Suraj Balachandran **Authorised Signatory**
Manager
SUBEX MIDDLE EAST(FZE)

The attached notes 1 to 15 form part of these financial statements.





SUBEX MIDDLE EAST(FZE)
STATEMENT OF CASH FLOWS
Year ended 31 March 2021

	31-Mar-21 AED	31-Mar-20 AED
OPERATING ACTIVITIES		
Net profit/ (loss)	(350,486)	69,700
Adjustments for non- cash items:	-	-
Operating profit before working capital changes	(350,486)	69,700
(Increase)/ decrease in accounts receivables and prepayments	(4,426,608)	(5,550,312)
Increase/ (decrease) in accounts payables and accruals	4,722,889	5,709,860
Cash from/ (used in) operations	(54,205)	229,248
Net cash from/ (used in) operating activities	(54,205)	229,248
INVESTING ACTIVITIES		
Net cash from/ (used in) investing activities	-	-
FINANCING ACTIVITIES		
Net cash from/ (used in) financing activities	-	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(54,205)	229,248
Cash and cash equivalents at the beginning	364,016	134,768
CASH AND CASH EQUIVALENTS AT THE END	309,811	364,016


 Suraj Balachandran
 Manager
 SUBEX MIDDLE EAST(FZE)



Authorised Signatory

The attached notes 1 to 15 form part of these financial statements.





SUBEX MIDDLE EAST(FZE)
STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2021

	Share capital	Retained earnings / (losses)	Total
	AED	AED	AED
Balance at 31 March 2019	150,000	477,969	627,969
Net profit / (loss)	-	69,700	69,700
Balance at 31 March 2020	150,000	547,669	697,669
Net profit / (loss)	-	(350,486)	(350,486)
Balance at 31 March 2021	150,000	197,183	347,183


Suraj Balachandran
Manager
Authorised Signatory
SUBEX MIDDLE EAST(FZE)



The attached notes 1 to 15 form part of these financial statements.





SUBEX MIDDLE EAST (FZE)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. LEGAL STATUS AND ACTIVITIES

Subex Middle East (FZE) is incorporated on 25 March 2015, as a Free Zone Establishment with Limited Liability, with the Sharjah Airport Free Zone Authority, United Arab Emirates, under Emiri decree no. 2 of 1995.

The establishment operates under service license no. 15123 where in the principal activity is providing information technology solutions and related services.

The shareholder's interest in the share capital of the Establishment as at 31 March 2020 was as follows:

Name	No. of shares	Amount	Percentage
Subex Assurance LLP, India	1	AED 150,000	100%

The address of the registered office of the Establishment is SAIF Desk Q1 - 04 – 098/B, P.O.Box 513156, SAIF Zone, Sharjah, United Arab Emirates.

Mr. Suraj Balachandran is the Manager of the Establishment.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of the implementing rules and regulations applicable to Sharjah Airport International Free Zone Establishments.

Accounting convention

The financial statements are prepared under the historical cost convention.

CHANGES IN ACCOUNTING POLICIES

The accounting policies are consistent with those used in the previous financial year, except for the below IFRS amendments to the extent applicable.

2.1 New and revised IFRS applies with material effect on the financial statements

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2020, have been adopted in these financial statements.

International Accounting Standards (IAS/IFRS)	Effective date
Definition of Material- Amendments to IAS 1 and IAS 8	1-Jan-2020
Definition of Business Amendments to IFRS 3	1-Jan-2020
Revised Conceptual Framework for Financial Reporting	1-Jan-2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1-Jan-2020
COVID 19 Related Rent Concessions (Amendment to IFRS 16)	1-Jun-2020

2.2 New and revised IFRSs in issue but not effective:

The following new and revised IFRS that have been issued but are not yet effective, has not yet been applied:

International Accounting Standards	Effective date
Interest Rate Benchmark Reform-Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16)	1- Jan-2021
Onerous Contracts- Cost of fulfilling a Contract (Amendments to IAS 37)	1- Jan-2022





Annual improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)	1-Jan-2022
Property, Plant and Equipment - Proceeds before intended use (Amendments to IAS 16)	1-Jan-2022
Reference to the conceptual framework (Amendments to IFRS 3)	1-Jan-2022
Classification of Liabilities as current or non-current (Amendments to IAS 1)	1-Jan-2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1-Jan-2023
IFRS 17 Insurance Contracts	1-Jan-2021
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined

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

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

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

Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are stated at net of realizable value after deducting the related provision for doubtful debts at year-end, which is based on company evaluation on the collectibles of each receivable independently considered. Doubtful accounts are written off after the company exhausts all collection procedures.

The entity recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

Leases

The Company adopted IFRS 16 retrospectively with the cumulative effect recognized at the date of initial application, i.e., 1 January 2019, using modified retrospective method, where comparative figures are not restated and cumulative effect is recognized as adjustment to the opening balance of the retained earnings. The company elected not to reassess the existing contracts using the transition practical expedient. It also elected to use the recognition exemptions that have a lease term of 12 months or less, and do not contain purchase option (short term leases), and where the underlying asset is of low value. Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are charged to the statement of income on a straight-line basis over the period of the lease.





Property, plant and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment loss, if any. The cost of assets less estimated residual value, where material, is depreciated using the straight-line method at rates of depreciation sufficient to depreciate the assets concerned over their estimated useful lives.

An assessment of residual values is undertaken at the end of each reporting period and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge. Gains or losses on disposal are determined by reference to their carrying amount and are included in operating profit.

Impairment of property and equipment

At the end of each reporting period, management conducts an assessment of property and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Revenue recognition

The amendments as per IFRS 15 is applied, wherein revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which it is expected to be entitled in exchange of those goods or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Amount disclosed as revenue are inclusive of excise duty and net of return and trade allowance. It is concluded that it is the principal in all of its revenue arrangements since it is the primary obligor as it has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met:

Revenues from licensing arrangements is recognized on transfer of the title in user licenses, except those contracts where transfer of title is dependent upon rendering of significant implementation and other services, in which cases revenue is recognized over the implementation period in accordance with the specific terms of the contracts with clients.

Revenue from implementation services is recognised using the percentage of completion method.

Revenue from managed/ support services comprise income from fixed price contracts and time-and-material contracts. Revenue from fixed price contracts is recognised pro-rata over the period of the contract. Revenue from time-and-material contracts is recognized when the services are rendered in accordance with the terms of contracts with clients.

In case of composite contracts involving granting of license and support services, license revenues are recognized on transfer of the license if identified separately and in other cases, they are recognized over the period of the contract along with revenue from support services.

Revenue from software development is recognized on the basis of chargeable time or achievement of prescribed milestones as relevant to each contract.

Sale of hardware under reseller arrangements are recognized on dispatch of goods to customers and are recorded net of discounts, rebates for price adjustment, projections, shortage in transit, taxes and duties.

Maintenance and service income is recognised on time proportion basis.

Employees' end of service benefits

Provision for employee's end of service benefits is calculated in accordance with the UAE Federal Labor Law. The liability is computed assuming that all employees were to leave as at the end of the reporting period. 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 would have offsetting effect.



**Trade payables, provisions and accruals**

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Establishment. Provisions are recognised when the Establishment has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a realizable estimate of the amount of the obligation can be made.

Interest expense

Interest expense incurred on funds obtained from banks and financial institutions is accrued and expensed out on period basis.

Related parties

Parties are considered to be related, if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand and unrestricted balance of current accounts with banks.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

As per the Memorandum of Understanding, in respect of marketing services and sub- contracting service arrangement, the entity shall be insulated from foreign exchange fluctuation risks and any foreign exchange loss or gain incurred or earned by the entity shall be reimbursed or recovered to or from the parent entity.

Classification, measurement and impairment of financial assets

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortized costs, or fair value through OCI. The classification and measurement requirements of IFRS 9 did not have a significant impact. The changes in the classification is as follows:

- (1) Trade receivables and other non-current financial assets: these are classified and measured as debt instrument at amortized cost, through statement of profit or loss.
- (2) Quoted debt instruments (previously classified as Available for sale (AFS): these are classified and measured as Debt Instruments at fair value through OCI.
- (3) Equity investments in non-listed companies previously classified as AFS financial assets are classified and measured as Equity instruments designated at fair value through OCI.
- (4) Listed equity investments previously classified as AFS financial assets are classified and measured as financial assets at fair value through profit or loss.

Risk management

The Establishment's management focuses on the unpredictability of financial markets and continually seeks to identify its risks and minimize their impact by conducting and operating the business in a prudent manner. The Establishment's activities are exposed to a variety of financial risks such as credit, currency, interest rates and liquidity risks. The monitoring of the credit and currency risk, where relevant is explained.





3 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31-Mar-21 AED	31-Mar-20 AED
Trade receivables	9,507,314	4,151,233
Less: Provision for doubtful debts	-	(208,499)
Trade receivables (net)	9,507,314	3,942,734
Prepaid expenses	32,250	60,981
Refundable deposits	15,270	15,270
Advance to suppliers	126,864	132,979
Unbilled revenue	4,108,291	5,179,559
Due from related parties	639,930	671,788
	<u>14,429,919</u>	<u>10,003,311</u>

	31-Mar-21		31-Mar-20	
Ageing of trade receivables (Gross) :	Gross	Provision	Gross	Provision
Current, not past due up to 90days	4,858,679	-	2,661,704	-
Past due upto 180 days	544,651	-	941,448	-
Past due 181- 365 days	4,103,984	-	-	-
Past due, above 365 days	-	-	548,081	208,499
	<u>9,507,314</u>	<u>-</u>	<u>4,151,233</u>	<u>208,499</u>

Geographical analysis of accounts receivable:

Within UAE	5,824,442	2,773,640
Outside UAE	3,682,872	1,377,593
	<u>9,507,314</u>	<u>4,151,233</u>

The movement in the provision for doubtful debts during the year was as follows:

Beginning balance	208,499	-
Charge for the year	-	215,162
Reversals	(208,499)	-
Utilised	-	(6,663)
	<u>-</u>	<u>208,499</u>

The management considers that all the overdue debts, net of the provision established are fully recoverable.
The provision for doubtful debts is considered adequate.

4 CASH AND CASH EQUIVALENTS

	31-Mar-21 AED	31-Mar-20 AED
Cash and bank	309,811	364,016

5 SHARE CAPITAL

	31-Mar-21 AED	31-Mar-20 AED
Authorized, issued and fully paid up 1 share of AED 150,000	150,000	150,000

6 RETAINED EARNINGS/ (LOSS)

	31-Mar-21 AED	31-Mar-20 AED
Beginning balance	547,669	477,969
Current year profit/ (loss)	(350,486)	69,700
	<u>197,183</u>	<u>547,669</u>





7 ACCOUNTS PAYABLE AND ACCRUALS

		31-Mar-21 AED	31-Mar-20 AED
Accrued expenses		2,169,693	1,561,406
Due to related parties	Note 11	7,607,043	7,615,186
Unearned revenue		4,055,803	458,173
Taxes payable		560,008	34,893
		<u>14,392,547</u>	<u>9,669,658</u>

8 COST OF SALES

		31-Mar-21 AED	31-Mar-20 AED
Purchases, subcontracting, consumables etc		<u>10,248,187</u>	<u>10,915,763</u>

9 ADMINISTRATION EXPENSES

		31-Mar-21 AED	31-Mar-20 AED
Salary and related costs		58,546	14,361
Lease and licence		23,600	23,660
Commission		917,134	928,537
Postage and courier		995	1,000
Legal and professional		53,283	5,500
Visa and immigration		13,839	73,584
Business travels		22,063	112,159
Business promotion		21,292	44,448
Office expense		3,010	2,999
Provision for doubtful debts	Note 3	-	215,162
		<u>1,113,762</u>	<u>1,421,410</u>

10 OTHER INCOME

		31-Mar-21 AED	31-Mar-20 AED
Provision for bad debts reversed	Note 3	<u>208,499</u>	<u>-</u>

11 RELATED PARTY TRANSACTIONS

During the year, the Establishment had the following related party transactions which were carried out in the normal course of business. Pricing policies and terms of these transactions are approved by the Directors of the Establishment.

Particulars of the related party		31-Mar-21 AED	31-Mar-20 AED
Statement of financial position:			
Receivables: Subex Assurance LLP, India	Note 3	537,107	619,471
Receivables : Subex Digital LLP, Bangalore	Note 3	102,823	52,317
		<u>639,930</u>	<u>671,788</u>
Payables: Subex Assurance LLP, India	Note 7	5,055,850	7,120,209
Payables: Subex Digital LLP, Bangalore	Note 7	464,304	492,347
Payables : Subex UK Ltd, Middlesex, Harrow	Note 7	-	2,630
Payables: Subex Limited, India		2,086,889	-
		<u>7,607,043</u>	<u>7,615,186</u>





12 RISK MANAGEMENT

Interest rate risk

The Establishment is not exposed to any significant interest rate risk.

Credit risk

The Establishment seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

Trade and other receivables are stated net of the allowance for doubtful recoveries. At the end of the reporting period, the Establishment has a significant exposure to credit risk as the whole trade receivables are due from outside the UAE. With respect to credit risk arising from the other financial assets of the Establishment, including cash and cash equivalents, and derivative instruments with positive values, the Establishment's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

The Establishment limits its liquidity risk by ensuring own funds. The Establishment's terms of sales require amounts to be paid within 60 to 90 days of the date of sale. Trade accounts payables are normally settled within 60 to 90 days from the date of purchase.

Currency risk

	31-Mar-21	31-Mar-20
Cash at bank - EUR	-	22
Receivables - EUR	2,027,400	1,208,515
Receivables - INR	-	12,462,398
Receivables - MYR	-	-

Except the above, there are no other significant exchange risks as substantially all financial assets and financial liabilities are denominated in AED or USD with which AED rate is fixed.

13 COMMITMENTS AND CONTINGENCIES

Except the ongoing business obligations which are normal in the course of business against which no loss is expected, there has been no other known contingent liability or capital commitment on Establishment's account as at the reporting date.

14 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprises financial assets and financial liabilities. Financial assets comprises of trade receivables, advances, and cash and cash equivalents and financial liabilities consists of accruals. The fair values of financial assets and liabilities are not materially different from their carrying values.

15 COMPARATIVES AND REPORTING PERIOD

Comparative amounts are taken from the previous year's audited financial statements. The corresponding figures for the previous year have been reclassified, wherever necessary, in order to conform with the presentation for the current year. Such reclassifications do not affect previously reported net profit or shareholder's equity.

These financial statements cover the 12 months period from 1 April to 31 March.


 Suraj Balachandran
 Manager
 SUBEX MIDDLE EAST (FZE)



Authorised Signatory

