

Date: - December 24, 2021

To,
The Board of Directors
TBO Tek Limited
(Formerly known as TBO Tek Private Limited and Tek Travels Private Limited)
E-78 South Extension Part - I
New Delhi 110 049
Delhi, India

Dear Sir,

We have verified the translated version of the audited consolidated financial statements of **TEK TRAVELS DMCC** for the year ended 31st March 2020. The financial statements have been translated by the Company in Indian Rupee in accordance with Ind AS 21, The Effect of Changes in Foreign Currency Rates. The work is carried out by us in accordance with the Standard of Related Services (SRS) 4400, "Engagements to Perform Agreed upon Procedures regarding Financial Information" issued by the Institute of Chartered Accountants of India.

As required under Schedule VI Part A Item no. (11) (I) (A) (ii) (b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), we have verified the translated financial information contained in the Annexures attached to this certificate which is proposed to be uploaded on the website of **TBO TEK LIMITED** (Formerly known as TBO Tek Private Limited and Tek Travels Private Limited) in connection with its proposed initial public offering of equity shares of **TBO TEK LIMITED** (Formerly known as TBO Tek Private Limited and Tek Travels Private Limited).

We did not audit or review the consolidated financial statements of **TEK TRAVELS DMCC** or standalone or consolidated financial statements of its parent company, **TBO TEK LIMITED** (Formerly known as TBO Tek Private Limited and Tek Travels Private Limited). These financial statements have been audited by other audit firms, whose reports have been furnished to us by the Company.

These translated financials should not in any way be construed as a reissuance or re-dating of any of the previous audit reports, nor should these be construed as a new opinion on any of the audited standalone financial statements referred to herein.

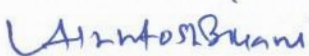
These translated financials are intended solely for the use of management of the Company for uploading on website of **TBO TEK LIMITED** (Formerly known as TBO Tek Private Limited and Tek Travels Private Limited) in connection with proposed initial public offering of equity shares of the Company. The certificate should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

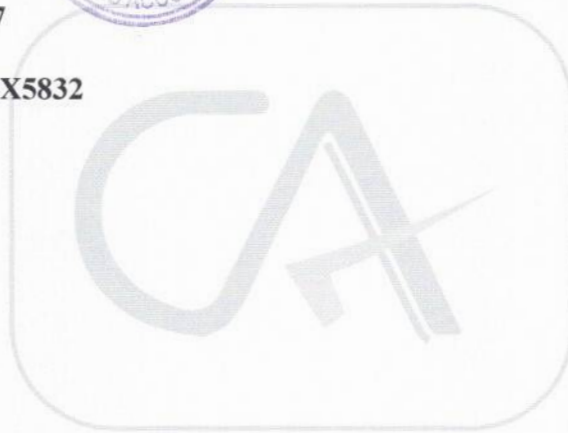


Disclaimer: -

1. The above certificate is based on the information and explanations provided by the management of **TBO TEK LIMITED** (Formerly known as TBO Tek Private Limited and Tek Travels Private Limited) and its subsidiary **TEK TRAVELS DMCC** and step down subsidiaries.

For N B T and Co
Chartered Accountants
ICAI Firm Registration Number: 140489W


CA. Ashutosh Biyani
Partner
Membership No.: 165017
Place: Mumbai
UDIN: 22165017ACZPBX5832



TEK TRAVELS DMCC
Consolidated statement of financial position

	<u>Note</u>	<u>As at</u> <u>31 March, 2020</u>		<u>As at</u> <u>31 March, 2019</u>	
		<u>AED</u>	<u>INR</u>	<u>AED</u>	<u>INR</u>
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	5	2,80,664	57,59,810	2,64,258	49,85,201
Intangible Assets	6	4,89,545	1,00,46,483	1,732	32,674
Investments		7,500	1,53,920	7,500	1,41,487
		<u>7,77,709</u>	<u>1,59,60,213</u>	<u>2,73,490</u>	<u>51,59,362</u>
CURRENT ASSETS					
Trade and other receivables	7	12,23,57,144	2,51,10,29,620	11,92,08,065	2,24,88,48,322
Due from related party	8	-	-	49,37,580	9,31,46,967
Cash and bank balances	9	4,35,55,009	89,38,41,573	4,04,45,431	76,29,99,035
		<u>16,59,12,153</u>	<u>3,40,48,71,193</u>	<u>16,45,91,076</u>	<u>3,10,49,94,324</u>
TOTAL ASSETS		<u>16,66,89,862</u>	<u>3,42,08,31,406</u>	<u>16,48,64,566</u>	<u>3,11,01,53,686</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	11	91,00,000	15,61,10,000	91,00,000	15,61,10,000
Retained Earnings		3,34,90,723	63,39,76,719	1,54,87,115	29,27,55,519
Translation reserve		(6,38,587)	7,08,60,679	(1,28,169)	1,25,50,094
		<u>4,19,52,136</u>	<u>86,09,47,398</u>	<u>2,44,58,946</u>	<u>-46,14,15,613</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Provision for employees' end of service benefits	12	9,68,311	1,98,71,818	9,17,717	1,73,12,649
		<u>9,68,311</u>	<u>1,98,71,818</u>	<u>9,17,717</u>	<u>1,73,12,649</u>
CURRENT LIABILITIES					
Trade and other payables	13	11,86,01,058	2,43,39,46,475	13,94,87,903	2,63,14,25,424
Due to related party	8	51,68,357	10,60,65,715	-	-
TOTAL LIABILITIES		<u>12,37,69,415</u>	<u>2,54,00,12,190</u>	<u>13,94,87,903</u>	<u>2,63,14,25,424</u>
TOTAL EQUITY AND LIABILITIES		<u>16,66,89,862</u>	<u>3,42,08,31,406</u>	<u>16,48,64,566</u>	<u>3,11,01,53,686</u>



TEK TRAVELS DMCC
Consolidated statement of comprehensive income

	<u>Note</u>	<u>Year ended</u> <u>31 March, 2020</u>		<u>Year ended</u> <u>31 March, 2019</u>	
		<u>AED</u>	<u>INR</u>	<u>AED</u>	<u>INR</u>
Revenue	14	11,19,94,572	2,15,65,59,127	7,36,46,541	1,40,09,21,445
Cost of sales		(3,84,60,705)	(74,40,77,693)	(2,69,96,626)	(51,33,36,135)
Gross profit		7,35,33,867	1,41,24,81,434	4,66,49,915	88,75,85,310
Other Income		18,32,119	3,74,77,475	1,98,116	37,36,006
Expenses					
General and administrative	15	(5,40,38,784)	(1,04,21,22,385)	(3,82,93,942)	(72,83,02,977)
Impairment loss on trade receivables	7	(33,23,594)	(6,66,15,324)	(7,66,855)	(1,44,58,579)
Profit for the year		1,80,03,608	34,12,21,200	77,87,234	14,85,59,760
<u>Other comprehensive income</u>					
<i>Items that may be reclassified to profit and loss</i>					
Currency translation differences		(5,10,418)	5,83,10,585	(1,53,748)	1,45,78,020
Other comprehensive income / (loss) for the year		(5,10,418)	5,83,10,585	(1,53,748)	1,45,78,020
Total comprehensive income for the year		1,74,93,190	39,95,31,785	76,33,486	16,31,37,780



TEK TRAVELS DMCC**Consolidated statement of changes in equity**

	<u>Share capital</u>		<u>Retained earnings</u>		<u>Translation reserve</u>		<u>Total equity</u>	
	AED	INR	AED	INR	AED	INR	AED	INR
At 01 April 2018	91,00,000	15,61,10,000	76,99,881	14,41,95,759	25,579	(20,27,926)	1,68,25,460	29,82,77,833
Total comprehensive income								
Profit for the year	-	-	77,87,234	14,85,59,760	-	-	77,87,234	14,85,59,760
Currency translation differences	-	-	-	-	(1,53,748)	1,45,78,020	(1,53,748)	1,45,78,020
At 31 March 2019	91,00,000	15,61,10,000	1,54,87,115	29,27,55,519	(1,28,169)	1,25,50,094	2,44,58,946	46,14,15,613
Total comprehensive income								
Profit for the year	-	-	1,80,03,608	34,12,21,200	-	-	1,80,03,608	34,12,21,200
Currency translation differences	-	-	-	-	(5,10,418)	5,83,10,585	(5,10,418)	5,83,10,585
At 31 March 2020	91,00,000	15,61,10,000	3,34,90,723	63,39,76,719	(6,38,587)	7,08,60,679	4,19,52,136	86,09,47,398



TEK TRAVELS DMCC
Consolidated statement of cash flows

	Note	Year ended 31 March, 2020		Year ended 31 March, 2019	
		AED	INR	AED	INR
Cash flows from operating activities					
Profit for the year		1,80,03,608	34,12,21,200	77,87,234	14,85,59,760
Adjustments for:					
Depreciation of property and equipment	5	1,73,570	34,55,391	1,34,307	25,57,727
Amortisation of intangibles	6	794	15,370	578	11,094
Provision for employees' end of service benefits	12	2,61,257	50,60,970	3,71,598	70,77,786
Provision for loss allowance of trade receivables	7	33,23,594	6,66,15,324	7,66,855	1,44,58,579
Provision for equity compensation		-	-	(3,49,733)	(62,00,241)
Operating cash flows before payment of employees' end of service benefits and changes in working capital		2,17,62,823	41,63,68,255	87,10,839	16,64,64,705
Payment of employees' end of service benefits	12	(2,10,663)	(39,67,905)	(12,890)	(2,46,492)
Changes in working capital:					
Trade and other receivables before movement in loss allowance		(64,72,673)	(32,87,96,623)	(4,66,06,768)	(96,25,99,773)
Due from a related party		49,37,580	9,31,46,967	(11,88,601)	(2,66,83,198)
Due to a related party		51,68,357	10,60,65,715	-	-
Trade and other payables		(2,08,86,845)	(19,74,78,949)	3,62,27,879	80,07,68,010
Net cash generated from / (used in) operating activities		42,98,579	8,53,37,460	(28,69,541)	(2,22,96,748)
Cash flows from investing activities					
Purchase of property and equipment	5	(1,89,976)	(38,98,703)	(2,14,630)	(40,48,974)
Purchase of intangibles	6	(4,88,607)	(1,00,27,233)	(2,310)	(43,578)
Investments		-	-	(7,500)	(1,41,487)
Net cash used in investing activities		(6,78,583)	(1,39,25,936)	(2,24,440)	(42,34,039)
Net increase / (decrease) in cash and cash equivalents		36,19,996	7,14,11,524	(30,93,981)	(2,65,30,787)
Currency translation differences		(5,10,418)	5,94,31,014	(1,53,748)	1,49,15,732
Cash and cash equivalents, beginning of the year	9	4,04,45,431	76,29,99,035	4,36,93,160	77,46,14,090
Cash and cash equivalents, end of the year	9	4,35,55,009	89,38,41,573	4,04,45,431	76,29,99,035



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020

1 General information

Tek Travels DMCC (the "Company") is a limited liability company established in Jumeirah Lake Towers under the provisions of Dubai Multi Commodities Centre Authority laws and regulations. The Company is a wholly owned subsidiary of Tek Travels Private Limited ("the parent company") based in India.

These consolidated financial statements relate to the company and its subsidiaries (together referred to as the "Group").

The Group is primarily engaged in the business activity of e-marketplace service provider (DMCC), e-business and software solutions.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretation Committee ("IFRS IC") applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). These consolidated financial statements have been prepared under the historical cost convention.

Due to the emergence of COVID-19 as a pandemic, management performed analysis over their cash flow forecast to factor in the impact of a decline in collection from customers as a result of the effects of the COVID-19 virus on the economy. Based on the analysis, management has positive net cash flow and is able to maintain liquidity in order to repay its creditors in the foreseeable future up to the end of March 2021.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(a) New standards adopted by the Group

The following new standard became applicable for the current reporting period and the Group had to change its accounting policy and make appropriate adjustments as a result of adopting the standard:

- IFRS 16, 'Leases' (effective from 1 April 2019)

The impact of the adoption of IFRS 16 and the new accounting policies are disclosed in Note 20.

There are no other IFRSs or IFRIC interpretations that are effective and would be expected to have a material impact on the consolidated financial statements of the Group.



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

(b) New standards and amendments not yet adopted by the Group

Certain new accounting standards and interpretation have been published that are mandatory for the Group's accounting periods beginning 1 April 2020 or later periods but have not been early adopted by the Group. These standards are not expected to have a material impact on the Group's consolidated financial statements in the current or future reporting periods and on foreseeable future transactions.

2.2 Basis of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A listing of Group subsidiaries is set out in Note 15.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the respective entity operates ("the functional currency"). The consolidated financial statements are presented in the United Arab Emirates Dirham ("AED") which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the end of month, which closely approximates the rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within profit and loss in the consolidated statement of comprehensive income.



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation (continued)

(c) Group companies

The results and financial positions of all the subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates during the financial year; and
- (iii) all resulting exchange differences are recognised as other comprehensive income and are presented as a separate component of equity called "translation reserve".

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to equity attributable to the owners of the parent. When a foreign operation is sold, the associated exchange differences that were recorded in equity are reclassified to the consolidated statement of comprehensive income as part of the gain or loss on sale.

2.4 Property and equipment

All items of property and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance cost are charged within profit and loss in the consolidated statement of comprehensive income during the financial year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of assets less their estimated residual value over their estimated useful lives, as follows:

	Years
Furniture and fixtures	3
Motor vehicles	3
Computers	3
Office equipment	3

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within profit and loss in the consolidated statement of comprehensive income.



Notes to the consolidated financial statements for the year ended 31 March 2020
(continued)

2 Summary of significant accounting policies (continued)

2.5 Intangible asset

Acquired computer software costs recognised as assets are amortised over their estimated useful lives, which do not exceed five years.

Capital work-in-progress is stated at cost and includes property and equipment that is being developed for future use. When commissioned, capital work-in-progress is transferred to appropriate category of property and equipment and depreciated in accordance with the Group's policies.

2.6 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets ("cash generating units").

Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each consolidated statement of financial position date.

2.7 Financial assets

(a) Classification

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Management determines the classification of its investment at initial recognition.

(b) Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on the trade-date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

2.7 Financial assets (continued)

(c) Measurement (continued)

The Group classifies its financial assets in the following category:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the financial assets.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.9 Trade and other receivables

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) from the consolidated statement of financial position date, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Cash and cash equivalents

For the purpose of consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and balances in current accounts.

2.11 Share capital

Ordinary shares are classified as equity.



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

2.12 Employee benefits

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by the employees up to the consolidated statement of financial position date.

A provision is also made, using actuarial techniques, for the full amount of end of service benefits due to the employees in accordance with the local labour law of the country where they are employed, for their periods of service up to the consolidated statement of financial position date.

The accrual relating to annual leave and leave passage is disclosed as a current liability and included in the trade and other payables, while the provision relating to end of service benefits is disclosed as a non-current liability.

2.13 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Group's activities, taking into account contractually defined terms to determine if the Group is acting as a principal or agent. The Group has concluded that it is acting as an agent in all its revenue arrangements as the Group primarily serves as a facilitator by matching customer demand with suppliers of accommodation and travel vendors and that these vendors are ultimately responsible for providing the services. Revenue is shown net of discounts, provision for cancellation of bookings and after eliminating revenue within the Group. The Group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Group, regardless of when the payment is being made.

The following specific recognition criteria must also be met before revenue is recognised:

Revenue from rendering of services

The Group recognises revenue from sale of goods based on a five-step model:

- i. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- ii. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- iii. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- v. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

2.13 Revenue recognition (continued)

Revenue from rendering of services (continued)

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. Group has concluded that for all of its arrangements none of the above conditions are satisfied therefore, it recognises revenue at the point in time at which the performance obligation is satisfied.

The Group recognises revenue in accordance with 5 step model, as specified above, at a point in time when specific criteria have been met for each of the Group's activities as described below:

(a) Commission income

Commission income primarily include commissions from hotel reservations, air ticket booking and related services. Revenue from commission income is recognised at the point in time when the booking is confirmed by the agent. Commission income is based on the price specified in the contracts, net of the provision for cancellation of bookings based on historical cancellation trends and forward looking factors.

(b) Supplier overrides

It represents incentive earned from the suppliers based on purchase volumes agreed under the commercial contract with the supplier. It is recognised at a point in time when the Group achieves the agreed target and incentive becomes due under the contract.

(c) Cash back income

Cash back income is incentive earned from credit card issuer on usage of credit cards primarily for making payments for hotel bookings. It is recognised at a point in time when the payment is made using the credit card in accordance with the terms of agreement with the credit card issuer.



Notes to the consolidated financial statements for the year ended 31 March 2020
(continued)

2 Summary of significant accounting policies (continued)

2.14 Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

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

The Group's financial liabilities include trade and other payables and due to related parties.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

2.15 Trade and other payables

These represents liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer) after the consolidated statement of financial position date. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Provisions

Provisions are recognised when the Group 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 reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as an interest expense.



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Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

2 Summary of significant accounting policies (continued)

2.17 Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use and asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- a) there is an identified asset;
- b) the Group obtains substantially all the economic benefits from use of the asset; and
- c) the Group has the right to direct use of the asset.

The Group considers whether the lessor has substantive substitution rights. If the lessor does have those rights the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Group's leases represent lease of property that is area obtained for office premises under leasing arrangement for a lease term of 12 months. Payments associated with lease are recognised on a straight-line basis as an expense in the consolidated statement of comprehensive income.

Accounting policies applied until 31 March 2019

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk, and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.



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Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's measurement currency.

The Group is exposed to foreign currency risk arising from balances and transactions denominated in foreign currencies, mainly Pound Sterling ("GBP"), Euro ("EUR") and Brazilian Real ("BRL") (2019: Indonesian Rupiah ("IDR"), Euro ("EUR") and Brazilian Real ("BRL"). Most of the Group's revenue and other transactions are denominated in USD which has a fixed parity with the AED.

The exposure to EUR, GBP, BRL and IDR was as follows:

	At 31 March 2020			At 31 March 2019		
	EUR	AED	INR	EUR	AED	INR
Cash at bank	815,369	1,678,976	34,456,083	-	-	-
Trade payables	(167,449)	(138,992)	(2,852,405)	-	-	-
	647,920	1,539,984	31,603,678	-	-	-

	At 31 March 2020			At 31 March 2019		
	GBP	AED	INR	GBP	AED	INR
Cash at bank	367,067	3,300,949	67,742,345	330,842	1,582,350	29,850,876
Trade payables	(30,387)	(677,902)	(13,911,960)	(131,137)	(628,129)	(11,849,591)
	336,680	2,623,047	53,830,385	199,705	954,221	18,001,285

	At 31 March 2020			At 31 March 2019		
	BRL	AED	INR	BRL	AED	INR
Cash at bank	692,555	490,561	10,067,333	4,643,983	4,342,124	81,913,738
Trade payables	-	-	-	-	-	-
	692,555	490,561	10,067,333	4,643,983	4,342,124	81,913,738

	At 31 March 2020			At 31 March 2019		
	IDR	AED	INR	IDR	AED	INR
Cash at bank	-	-	-	-	-	-
Trade payables	-	-	-	(4,731,825,973)	(1,220,313)	(23,021,084)
	-	-	-	(4,731,825,973)	(1,220,313)	(23,021,084)



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis

At 31 March 2020 and 2019, if the AED had weakened/strengthened by 5% against the GBP, with all other variables held constant, profit for the year would have been AED 76,999 (INR 1,580,180) (2019: AED 47,828 (INR 902,270)) higher/lower, mainly as a result of foreign exchange gains/losses on translation of GBP denominated financial assets and financial liabilities.

At 31 March 2020 and 2019, if the AED had weakened/strengthened by 5% against the EUR (2019: against the IDR) with all other variables held constant, profit for the year would have been AED 131,152 (INR 2,691,512) higher/lower (2019: AED 61,016 (INR 1,151,061)) lower/higher, mainly as a result of foreign exchange losses/gains on translation of EUR (2019: IDR) denominated financial assets and financial liabilities.

At 31 March 2020 and 2019, if the AED had weakened/strengthened by 5% against the BRL with all other variables held constant, profit for the year would have been AED 24,528 (INR 503,366) (2019: AED 217,353 (INR 4,100,343)) higher/lower, mainly as a result of foreign exchange losses/gains on translation of BRL denominated financial assets and financial liabilities.

(ii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual instrument or its issuers or factors affecting all the instruments traded in the market.

The Group is not exposed to price risk as it has no significant price sensitive financial instruments.

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant interest bearing assets or liabilities and therefore the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises from bank balances as well as credit exposures to customers, including outstanding receivables and committed transactions.



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group limits its credit risk with respect to bank deposits and balances by only dealing with reputable banks and with respect to related party balances by continuously monitoring outstanding balances through the parties involved.

The Group is exposed to credit risk on its financial assets as follows:

	2020 AED	2020 INR	2019 AED	2019 INR
Trade and other receivables (excluding prepayments)	121,572,744	2,494,932,050	118,362,052	2,232,888,367
Due from a related party (Note 8)	-	-	4,937,580	93,146,967
Bank balances	42,697,758	876,248,947	34,157,467	644,377,215
	<u>164,270,502</u>	<u>3,371,180,997</u>	<u>157,457,099</u>	<u>2,970,412,549</u>

Trade receivables are largely secured against bank guarantees and security deposits received from the customers and from credit insurance taken against it. The unsecured receivables are managed through continuously monitoring the creditworthiness of the customers to which the Group grants credit terms in the normal course of business. The Group's customers typically do not have external credit ratings.

The Group has well defined trade and non-trade transactions with related parties. Non-trade transactions entail pre-approval by both parties prior to execution of the transactions with the related parties. The receivable balances are reconciled monthly with the related parties through intercompany reconciliation and confirmations. Since these balances are with related parties, management believes there is no significant credit risk in relation to these balances.

Bank deposits are limited to high-credit-quality financial institutions and bank ratings are reviewed on an annual basis. Management expects any credit losses from non-performance by these counterparties would be insignificant. The credit quality of the financial assets held with banks can be assessed by reference to external credit ratings as follows:

Counterparty rating (Moody's)	2020 AED	2020 INR	2019 AED	2019 INR
A1	30,030,819	616,294,923	12,283,004	231,717,651
A3	165,551	3,397,451	1,498,565	28,270,280
Aa1	128,724	2,641,684	117,950	2,225,115
Aa3	11,645,942	238,998,974	9,900,328	186,768,705
Ba1	490,463	10,065,322	4,448,020	83,911,456
Baa1	236,259	4,848,527	5,909,600	111,484,017
	<u>42,697,758</u>	<u>876,246,881</u>	<u>34,157,467</u>	<u>644,377,224</u>



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The geographic concentration of the majority of the banks is in the GCC.

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

At 31 March 2020 and 2019, all contractual cash flows of financial liabilities have the maturity of less than 12 months from the consolidated statement of financial position date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company is ungeared as at 31 March 2020 and 2019, since it does not have any borrowings.

3.3 Fair value estimation

The fair values of the Group's financial assets and liabilities as at 31 March 2020 and 2019 approximate their carrying amounts as reflected in these consolidated financial statements.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:



Tek Travels DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

4 Critical accounting estimates and judgements (continued)

Calculation of loss allowance

The Group assesses the impairment of its financial assets based on ECL model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since the initial recognition of the financial asset. The Group measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments.

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.



TEK TRAVELS DMCC
Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)
5 Property and equipment

	<u>Furniture and fixtures</u>		<u>Motor vehicles</u>		<u>Computers</u>		<u>Office equipment</u>		<u>Total</u>	
	AED	INR	AED	INR	AED	INR	AED	INR	AED	INR
Cost										
At 01 April 2018	45,195	8,01,239	1,32,750	23,53,458	2,88,424	51,13,324	1,10,064	19,51,269	5,76,433	1,02,19,291
Additions	23,310	4,39,741	-	-	1,48,574	28,02,834	42,746	8,06,399	2,14,630	40,48,974
Impact of foreign currency translation	-	51,360	-	1,50,857	-	3,27,766	-	1,25,077	-	6,55,060
At 31 March 2019	68,505	12,92,340	1,32,750	25,04,316	4,36,998	82,43,924	1,52,810	28,82,745	7,91,063	1,49,23,325
Additions	7,365	1,51,145	-	-	1,60,936	33,02,742	21,675	4,44,816	1,89,976	38,98,703
Impact of foreign currency translation	-	1,13,525	-	2,19,991	-	7,24,185	-	2,53,234	-	13,10,935
At 31 March 2020	75,870	15,57,010	1,32,750	27,24,306	5,97,934	1,22,70,850	1,74,485	35,80,795	9,81,039	2,01,32,963
Accumulated depreciation										
At 01 April 2018	40,099	7,10,895	1,06,938	18,95,850	1,66,097	29,44,650	79,364	14,07,005	3,92,498	69,58,400
Additions	4,792	91,306	25,812	4,90,251	82,485	15,69,054	21,218	4,07,116	1,34,307	25,57,727
Impact of foreign currency translation	-	44,663	-	1,18,214	-	1,75,770	-	83,349	-	4,21,997
At 31 March 2019	44,891	8,46,864	1,32,750	25,04,316	2,48,582	46,89,475	1,00,582	18,97,469	5,26,805	99,38,124
Additions	11,503	2,22,459	-	-	1,32,054	26,36,926	30,013	5,96,006	1,73,570	34,55,391
Impact of foreign currency translation	-	87,999	-	2,19,991	-	4,85,042	-	1,86,606	-	9,79,638
At 31 March 2020	56,394	11,57,322	1,32,750	27,24,306	3,80,636	78,11,443	1,30,595	26,80,081	7,00,375	1,43,73,153
Net book value										
At 31 March 2020	19,476	3,99,688	-	-	2,17,298	44,59,407	43,890	9,00,714	2,80,664	57,59,810
At 31 March 2019	23,614	4,45,476	-	-	1,88,416	35,54,449	52,228	9,85,276	2,64,258	49,85,201



TEK TRAVELS DMCC**Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)****6 Intangible assets**

	<u>Computer software</u>		<u>Capital work in progress</u>		<u>Total</u>	
	<u>AED</u>	<u>INR</u>	<u>AED</u>	<u>INR</u>	<u>AED</u>	<u>INR</u>
Cost						
At 01 April 2018	-	-	-	-	-	-
Additions	2,310	43,578	-	-	2,310	43,578
Impact of foreign currency translation	-	-	-	-	-	-
At 31 March 2019	2,310	43,578	-	-	2,310	43,578
Additions	-	-	4,88,607	1,00,27,233	4,88,607	1,00,27,233
Impact of foreign currency translation	-	3,828	-	-	-	3,828
At 31 March 2020	2,310	47,406	4,88,607	1,00,27,233	4,90,917	1,00,74,639
Accumulated amortisation						
At 01 April 2018	-	-	-	-	-	-
Additions	578	11,094	-	-	578	11,094
Impact of foreign currency translation	-	(190)	-	-	-	(190)
At 31 March 2019	578	10,904	-	-	578	10,904
Additions	794	15,370	-	-	794	15,370
Impact of foreign currency translation	-	1,882	-	-	-	1,882
At 31 March 2020	1,372	28,156	-	-	1,372	28,156
Net book value						
At 31 March 2020	938	19,250	4,88,607	1,00,27,233	4,89,545	1,00,46,483
At 31 March 2019	1,732	32,674	-	-	1,732	32,674



	2020		2019	
	AED	INR	AED	INR
7 Trade and other receivables				
Trade receivables	8,96,37,975	1,83,95,62,455	9,16,03,825	1,72,80,97,059
Less: loss allowance on trade receivables	(63,67,960)	(13,06,84,118)	(32,73,661)	(6,17,57,290)
	8,32,70,015	1,70,88,78,337	8,83,30,164	1,66,63,39,769
Deposits	2,18,38,961	44,81,82,089	2,00,57,249	37,83,78,014
Prepayments	7,84,400	1,60,97,570	8,46,013	1,59,59,955
Other receivables	1,64,63,768	33,78,71,624	99,74,639	18,81,70,584
	12,23,57,144	2,51,10,29,620	11,92,08,065	2,24,88,48,322

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivable. The Group holds bank guarantees and security deposits received from the customers as security against these receivables together with credit insurance taken against these receivables by the Group.

The ageing analysis of these trade receivables is as follows:

Less than 6 months	8,47,58,905	1,73,94,33,782	8,67,09,026	1,63,57,57,162
More than 6 months	48,79,070	10,01,28,673	48,94,799	9,23,39,897
Total	8,96,37,975	1,83,95,62,455	9,16,03,825	1,72,80,97,059

Trade receivables relate to a number of independent customers for whom there is no recent history of default.

The Group has applied IFRS 9 simplified approach to measure expected credit losses on trade receivables which is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking factors at the end of each reporting period, such as future economic conditions of the territories where the customers are domiciled. On above basis, the loss allowance as at 31 March 2020 ranges from 2% to 100%.

In addition, certain individual customers have been identified as having a significantly elevated credit risk and have been provided for on a specific basis.

Movement on the Group's provision for impairment of trade receivables is as follows:

Balance at the beginning of the year	32,73,661	6,17,57,290	29,64,338	-
Increase in loss allowance on trade receivables	33,23,594	6,66,15,324	7,66,855	1,44,58,579
Trade receivables written off	(2,29,295)	(47,05,623)	(4,57,532)	(81,11,355)
Translation reserve	-	70,17,127	-	5,54,10,066
Balance at the end of the year	63,67,960	13,06,84,118	32,73,661	6,17,57,290

The other classes within trade and other receivables do not contain impaired assets.

8 Related party transactions and balances

Related parties include the parent company and its shareholders, key management personnel, directors and businesses which are controlled directly or indirectly by them or over which they exercise significant management influence ("affiliates").

Transactions with related parties

During the year, the Group entered into the following significant transactions with related parties in the ordinary course of business. These transactions were carried out at mutually agreed terms and rates.

Business support services expense	42,10,679	8,03,46,682	31,90,399	6,08,31,192
Commission expense	42,45,613	8,14,68,789	35,61,132	5,69,72,106
Software license fees (Note 15)	16,33,704	3,14,50,047	11,13,745	2,11,92,092

Key management compensation

Short term benefits	9,99,081	1,93,29,173	9,95,992	1,89,56,073
End of Service benefits	38,407	7,43,058	36,233	6,89,599
	10,37,488	2,00,72,231	10,32,225	1,96,45,673

Balances with related parties

Amounts due from and due to related parties represent balances arising from trading transactions and services provided/received in the normal course of business.

Due from a related party

Tek Travels Private Limited (parent company)	-	-	49,37,580	9,31,46,967
	-	-	49,37,580	9,31,46,967

Due to a related party

Tek Travels Private Limited (parent company)	51,68,357	10,60,65,715	-	-
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9 Cash and cash equivalents

	2020		2019	
	AED	INR	AED	INR
Balances with banks				
- in current accounts	4,05,62,583	83,24,30,600	3,23,21,017	60,97,36,541
- in fixed deposits*	21,35,175	4,38,18,347	18,36,450	3,46,40,674
Cash in transit	8,57,251	1,75,92,626	62,87,964	11,86,21,820
Cash and bank balances	<u>4,35,55,009</u>	<u>89,38,41,573</u>	<u>4,04,45,431</u>	<u>76,29,99,035</u>

*It represents deposits placed with Standard Chartered Bank as bank guarantee for the suppliers (2019: margin money deposit placed with Citi Bank against collateral for commercial credit card issued).

10 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Financial assets - at amortised cost

Trade and other receivables (excluding prepayments)	12,15,72,744	2,49,49,32,050	11,83,62,052	2,23,28,88,367
Due from a related party (Note 8)	-	-	49,37,580	9,31,46,967
Cash and bank balances (Note 9)	<u>4,35,55,009</u>	<u>89,38,41,573</u>	<u>4,04,45,431</u>	<u>76,29,99,035</u>
	<u>16,51,27,753</u>	<u>3,38,87,73,623</u>	<u>16,37,45,063</u>	<u>3,08,90,34,369</u>

Financial liabilities - at amortised cost

Trade and other payables (Note 13)	11,86,01,058	2,43,39,46,475	13,94,87,903	2,63,14,25,424
Due to a related party (Note 8)	<u>51,68,357</u>	<u>10,60,65,715</u>	-	-
	<u>12,37,69,415</u>	<u>2,54,00,12,190</u>	<u>13,94,87,903</u>	<u>2,63,14,25,424</u>

11 Share capital

The share capital of the Company comprises 9,100 (2019: 9,100) authorised, issued and fully paid up shares of AED 1,000 each.

12 Provision for employees' end of service benefits

At 1 April	9,17,717	1,73,12,649	5,59,009	99,10,390
Charge for the year (Note 16)	2,61,257	50,60,970	3,71,598	70,77,786
Payments made during the year	(2,10,663)	(39,67,905)	(12,890)	(2,46,492)
Translation reserve	-	14,66,104	-	5,70,965
At 31 March	<u>9,68,311</u>	<u>1,98,71,818</u>	<u>9,17,717</u>	<u>1,73,12,649</u>

In accordance with the provisions of IAS 19, management has carried out an exercise to assess the present value of its obligations at 31 March 2020 and 2019, using the projected unit credit method, in respect of employees' end of service benefits payable under the UAE Labour Law. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving the service. Management has assumed average increment/promotion costs of 5% (2019: 10%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 2.21% (2019: 3.5%).

13 Trade and other payables

Trade payables	7,03,28,970	1,44,33,00,533	11,13,88,111	2,10,13,25,650
Customers advance deposits	3,12,67,187	64,16,69,126	1,45,21,654	27,39,49,553
Accrued expenses and other payables	<u>1,70,04,901</u>	<u>34,89,76,816</u>	<u>1,35,78,138</u>	<u>25,61,50,221</u>
	<u>11,86,01,058</u>	<u>2,43,39,46,475</u>	<u>13,94,87,903</u>	<u>2,63,14,25,424</u>

14 REVENUE

Commission income	10,53,38,014	2,02,82,94,680	7,09,47,445	1,34,94,70,454
Cash back income	52,31,501	10,09,06,391	26,44,011	5,04,17,265
Others	<u>14,25,057</u>	<u>2,73,58,056</u>	<u>55,085</u>	<u>10,33,726</u>
	<u>11,19,94,572</u>	<u>2,15,65,59,127</u>	<u>7,36,46,541</u>	<u>1,40,09,21,445</u>

15 General and administrative expenses

Business support services	1,73,95,082	33,67,89,280	1,38,31,415	26,24,91,223
Staff cost (Note 16)	1,59,09,526	30,52,22,605	96,43,893	18,51,00,978
Legal and professional fees	34,88,691	6,72,04,221	31,74,625	6,01,41,823
Bank charges	38,91,381	7,50,34,019	27,34,827	5,19,61,847
Insurance	16,42,162	3,16,88,863	8,28,679	1,57,42,347
Communication and utility	9,72,740	1,87,76,143	7,44,052	1,42,11,628
Rent and license	4,17,582	80,59,129	2,82,122	53,79,650
Software license fees (Note 8)	16,33,704	3,14,50,047	11,13,745	2,11,92,092
Marketing expenses	39,96,822	7,66,18,338	27,40,208	5,12,47,011
Travel and conveyance	27,76,755	5,36,67,915	18,72,375	3,57,92,889
Depreciation and amortisation	1,79,283	34,70,761	1,34,885	25,68,821
Supplier advances written off	10,83,859	2,22,43,070	-	-
Others	<u>6,51,197</u>	<u>1,18,97,994</u>	<u>11,93,116</u>	<u>2,24,72,668</u>
	<u>5,40,38,784</u>	<u>1,04,21,22,385</u>	<u>3,82,93,942</u>	<u>72,83,02,977</u>



TEK TRAVELS DMCC

Notes to the consolidated financial statements for the year ended 31 March 2020 (continued)

16 Staff costs

	2020		2019	
	AED	INR	AED	INR
Salaries and allowances	1,42,93,766	27,39,92,077	88,05,812	16,58,82,908
Employees' end of service benefits (Note 12)	2,61,257	50,60,970	3,71,598	70,77,786
Other staff costs	13,54,503	2,61,69,558	4,66,483	1,21,40,284
	1,59,09,526	30,52,22,605	96,43,893	18,51,00,978

17 Commitments and contingencies

Payments made under operating lease are recognised on a straight-line basis over the term of the lease. Non-cancelable operating lease rentals are payable as follows:

Less than one year	1,64,282	33,71,409	1,23,561	23,30,966
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18 Group subsidiaries

Subsidiaries that are consolidated in these financial statements are as follows:

	Name of the company	Place of incorporation	Principal activity	Control %	
				2020	2019
1	TBO Holidays Brasil Agencia De Viagens E Reservas LTDA	Brazil	Business support services.	100%	100%
2	TBO Holidays Hongkong Limited	Hong Kong	Business support services.	100%	100%
3	TBO Holidays Europe B.V.	Netherlands	Online travel booking and business support	100%	100%
4	TBO Holidays PTE Ltd	Singapore	Business support services.	100%	100%
5	TBO Holidays Malaysia Sdn. Bhd	Malaysia	Business support services.	100%	-
6	Travel Boutique Online S.A. De C.V.	Mexico	Business support services.	100%	-
7	TBO Technology Services DMCC*	Dubai	Online travel booking and business support	100%	-
8	TBO Technology Consulting Shanghai Co., Ltd*	China	Business support services.	100%	-

*The subsidiaries have been legally set-up, but the share capital has not been induced in these companies as at 31 March 2020.

19 Impact of COVID-19 pandemic

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and was subsequently declared a pandemic by the World Health Organisation. This necessitated global travel restrictions and lockdown measures in most countries of the world between February and May 2020. Each country devised its own approach to pandemic varying from a limited to severe lockdown. Due to the unprecedented adverse effect of the lockdown on the global economy and some success in the efforts to flatten the infection curve, many countries started to gradually ease the lock down restrictions and open up for travel starting May 2020 onwards in a restricted way.

The Group has a documented business continuity plan to ensure the safe and stable continuation of its business operations as well as the safety of its employees and customers. The Group has also introduced proactive comprehensive measures to address and mitigate key operational and financial issues arising from the current situation. The Group is continuously assessing the impact of COVID-19 on its operations.

Based on the assessment of COVID-19 impact on its business, the Group has assessed the impact on its consolidated financial position and performance including the major judgements, estimates and assumptions, which could result in greater variability in the area that depends on the estimate, as given below:

Loss allowance on financial assets

The Group assesses the impairment of its financial assets carried at amortised cost based on the expected credit loss ('ECL') model. The ECL model was reassessed for the impact of COVID-19, mainly the operational disruption faced by the customers, which may likely lead to increase in the ECL allowance for trade receivables. Further, based on the Group's continuous monitoring of financial condition of its customers, it expects to see greater non-payments from some of its customers due to financial distress and therefore have created specific provisions against these high credit risk customers.

In response to this crisis, the Group continues to monitor and respond to all liquidity and funding requirements through its plan reflecting the current economic scenarios. The Group believes that, as at 31 March 2020, liquidity position of the Group remains strong and its existing balance of cash and cash equivalents and available credit facilities will be sufficient to satisfy its working capital needs, capital expenditures, debt repayments and other liquidity requirements associated with its existing operations.

The impact of COVID-19 continues to evolve, hence the effects of COVID-19 may not be fully reflected in the Group's financial results until future periods. The Group is taking proactive measures to monitor and manage the situation to the best of its abilities to support the long-term continuity of its business.



20 Impact of change in accounting policies

This note explains the impact of the adoption of IFRS 16 "Leases" on the Group's consolidated financial statements.

IFRS 16 was issued in January 2016. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognise: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the consolidated statement of comprehensive income.

The Group's leases represent leases of property under a leasing arrangement for a period of 12 months.

As noted above, the adoption of IFRS 16 impacts leases with a lease term of more than 12 months, the Group continues to recognise payments associated with the short-term lease (lease term of 12 months) on a straight-line basis as an expense in consolidated statement of comprehensive income.

Further, the Group does not have any activities as lessor and hence the above standard does not have any material impact on the Group's consolidated financial statements in the prior or current periods.

