

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)
Reg. No: 200007534G

FINANCIAL STATEMENTS - 31 MARCH 2018

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SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

The directors are pleased to present their statement to the members together with the audited financial statements of Saksoft Pte Limited (the Company) for financial the year ended 31 March 2018.

Opinion of the directors

In our opinion,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this report are:-

Aditya Krishna
Pankaj Kumar Ganeriwal

Arrangements to enable directors to acquire shares or debentures:

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' interest in shares or debentures:

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial period had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of Directors	Number of Shares	
	At the beginning of the year	At the end of the year
The Company		
Aditya Krishna	1	1
Holding Company: Saksoft Limited		
Aditya Krishna	2,118,520	2,318,640

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Share options:

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

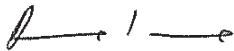
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year

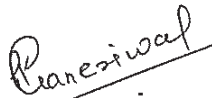
Auditors

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

The Board of Directors,



Aditya Krishna
Director



Pankaj Kumar Ganeriwal
Director

Date: 10 MAY 2018

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SAKSOFT PTE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saksoft Pte Limited. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for Our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 2 to 3].

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Responsibilities of Management and Directors for the Financial Statements cont'd...

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

The directors' responsibilities include overseeing the Company's financial reporting process.

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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

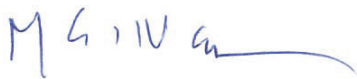
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



M G N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

Singapore

Date: **10 MAY 2018**

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 S\$	2017 S\$
ASSETS			
Non current assets			
Property, plant and equipment	9	1,934	1,496
Loan to the related party	10	327,500	350,000
		<u>329,434</u>	<u>351,496</u>
Current assets			
Prepayments		8,301	12,998
Trade receivables	11	1,026,518	658,136
Other receivables	11	40,659	22,138
Cash and cash equivalents	12	348,769	411,539
		<u>1,424,247</u>	<u>1,104,811</u>
Total assets		<u>1,753,681</u>	<u>1,456,307</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	555,002	555,002
Retained earnings		981,036	808,039
Equity attributable to owners of the Company		<u>1,536,038</u>	<u>1,363,041</u>
Current liabilities			
Income tax payable		15,302	6,716
Deferred revenue	15	10,120	2,720
Trade and other payables	13	192,221	83,830
		<u>217,643</u>	<u>93,266</u>
Total equity and liabilities		<u>1,753,681</u>	<u>1,456,307</u>

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 S\$	2017 S\$
Revenue	4	2,228,689	1,591,165
Cost of sales	5	(1,951,080)	(1,419,144)
Gross profit		277,609	172,021
Other income	6	20,228	44,519
		297,837	216,540
Expenses			
Administrative and other operating expenses		(101,505)	(52,084)
Profit before tax	7	196,332	164,456
Income tax expense	8	(23,335)	(6,675)
Profit for the year, representing total comprehensive income for the year		172,997	157,781

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Share capital S\$	Retained earnings S\$	Total S\$
At 01 April 2016	555,002	850,258	1,405,260
Interim dividend paid (note 17)	-	(200,000)	(200,000)
Profit for the year, representing total comprehensive income for the year	-	157,781	157,781
At 31 March 2017 and 01 April 2017	555,002	808,039	1,363,041
Profit for the year, representing total comprehensive income for the year	-	172,997	172,997
At 31 March 2018	555,002	981,036	1,536,038

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	2018 S\$	2017 S\$
Cash flows from operating activities			
Profit before tax		196,332	164,456
Adjustment for			
Depreciation of property, plant and equipment		1,348	2,022
Interest income		(16,972)	(17,282)
Exchange loss on related party loan		22,500	-
		203,208	149,196
Changes in working capital			
Trade receivables		(368,382)	(206,091)
Other receivables and prepayments		(13,824)	(26,195)
Trade and other payables		108,391	51,027
Deferred revenue		7,400	-
Cash (used in) operations		(63,207)	(32,063)
Income tax paid		(9,526)	(4,617)
Foreign tax paid		(5,223)	(6,482)
Net cash (used in) operating activities		(77,956)	(43,162)
Cash flows from investing activities			
Purchase of plant and equipment		(1,786)	-
Net cash (used in) investing activities		(1,786)	-
Cash flows from financing activities			
Loan to related party		-	(8,125)
Interest received		16,972	17,282
Interim dividend paid		-	(200,000)
Net cash used in financing activities		16,972	(190,843)
Net (decrease) in cash and cash equivalents		(62,770)	(234,005)
Cash and cash equivalents at beginning of the year		411,539	645,544
Cash and cash equivalents at end of the year	12	348,769	411,539

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Saksoft Pte Limited (the "Company") is incorporated and domiciled in Singapore with its registered office at 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore 208787.

The principal activities of the Company are to carry on the business of advisors, consultants on information technology related businesses and services and to provide training and utilization of personnel for IT industries. There have been no significant changes in the nature of these activities during the financial year.

The immediate and ultimate holding Company is **SAKSOFT LIMITED**, which is incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S\$), which is the Company's functional currency.

2.2 Adoption of new and revised standards

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2017. The adoption of these new / revised FRS and INT FRS does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.3 Standards issued but not yet effective cont'd...

Description	Effective for annual periods beginning on or after
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	01-Jan-18
Amendments to FRS 40 Transfers of Investment Property	01-Jan-18
FRS 109 Financial Instruments	01-Jan-18
FRS 115 Revenue from Contracts with Customers	01-Jan-18
FRS 116 Leases	1 January 2019
Improvements to FRSs (December 2016)	01-Jan-18
INT FRS 122 Foreign Currency Transactions and Advance Consideration	01-Jan-18
INT FRS 123 Uncertainty over Income Tax Treatments	01-Jan-19
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The initial application of these standards and interpretations, where applicable, are not expected to have any material impact on the financial statements of the Company.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from rendering of services is recognised when the service is rendered or percentage completion method depending on the contractual agreement.

Interest income

Interest income is recognised using the effective interest method

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.5 Property, plant and equipment cont'd...

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computers and accessories	5 years
Office equipment	5 years

Depreciation for whole year is provided in the year of the purchase and no depreciation is provided in the year of disposal.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in profit or loss

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.7 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise trade and other receivables, due from a related party and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

2.8 Unbilled Receivables

Unbilled Receivables are stated based on revenue recognised using the percentage completion method for uncompleted projects. Costs include sub-contractor fees and salaries directly attributable to project activities. When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately.

2.9 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.9 Financial liabilities cont'd...

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise due to holding company and related party and other payables.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, 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 a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.10 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks is subject to an insignificant risk of changes in value.

2.12 Currency translation

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.12 Currency translation cont'd...

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.13 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.13 Taxes cont'd

C} Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

-where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

- Receivables and payables that are stated with the amount of sales tax included.

2.14 Employee benefits

(a) *Defined contribution plans*

The company contributes to the to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

(a) *Employee leave entitlements*

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.15 Related party

A related party is defined as follows:

A} A person or a close member of that person's family is related to the Company if that person;

- (i) Has control or joint over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of parent of the Company.

b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
- (ii) One entity is an associate or joint venture of the other entity
- (iii) Both entities are joint ventures of the same party
- (iv) One entity is a joint venture of a third party and other entity is an associate of the third party.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or a or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or joint controlled by a person identified in (a)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.15 Related party cont'd...

- (viii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
- (ix) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.16 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17 Leases

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Dividend

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.19 Deferred revenue

Deferred revenue recorded on the balance sheet as liability until the services have been rendered. Deferred revenue is a liability because it refers to revenue that has not yet been earned, but represents services that are owed to the customer. As the service is delivered over time, it is recognized as revenue on the income statement.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

NOTES TO THE FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's property, plant and equipment as at 31 March 2018 was S\$ 1,934 (2017: S\$ 1,496).

Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Company's trade and other receivables, as at 31 March 2017 were S\$ 1,394,677 (2017: S\$ 1,030,274) respectively.

4. REVENUE

	2018	2017
	S\$	S\$
Sale of services	2,228,689	1,591,165
	<u>2,228,689</u>	<u>1,591,165</u>

5. COST OF SALES

	2018	2017
	S\$	S\$
Staff cost		
Staff salaries	1,507,829	1,120,654
Staff CPF	25,364	7,564
Commission	19,626	8,421
Reimbursement to employees	1,184	1,228
Employees insurance	15,348	9,975
Professional fee (note 20)	349,890	271,302
Support cost	31,839	-
	<u>1,951,080</u>	<u>1,419,144</u>

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6. OTHER INCOME

	2018	2017
	S\$	S\$
Miscellaneous income	900	4,006
Interest from related company	16,972	17,282
Exchange gain	2,356	22,981
Wage credit	-	250
	<u>20,228</u>	<u>44,519</u>

7. PROFIT BEFORE TAX

The profit is arrived at after charging/crediting the following items:

	2018	2017
	S\$	S\$
Bank charges	152	117
Depreciation on fixed assets	1,348	2,022
Un-realized exchange loss	36,629	-
Office facility charges	2,879	-
Professional fee	31,495	14,980

8. TAX EXPENSE

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2018 and 2017 were:

	2018	2017
	S\$	S\$
Current tax	15,302	5,886
Under/(over) provision of tax in prior years	2,810	(5,693)
Foreign tax paid	5,223	6,482
Income tax expense recognized in profit or loss	<u>23,335</u>	<u>6,675</u>

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's profit as a result of the following:

	2018	2017
	S\$	S\$
Profit before taxation	<u>196,332</u>	<u>164,456</u>
Singapore statutory rate of 17% (2017:17%)	33,376	27,958
Tax effect on non-deductibles	5,729	(3,563)
Partial tax exemption	(19,978)	(12,623)
Tax rebate	(3,825)	(5,886)
Under/(over) provision of tax in prior years	2,810	(5,693)
Foreign tax paid	5,223	6,482
	<u>23,335</u>	<u>6,675</u>

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8. TAX EXPENSE CONT'D...

MOVEMENT IN TAXATION

	2018	2017
	S\$	S\$
Beginning of financial year	6,716	11,140
Under/(over) provision of tax in prior year	2,810	(5,693)
Tax paid-net	(9,526)	(4,617)
Current year provision	15,302	5,886
End of financial year	15,302	6,716

9. PROPERTY, PLANT AND EQUIPMENT

2018	Office Equipment	Computers	Total
At Cost	S\$	S\$	S\$
Beginning of financial year	155	27,267	27,422
Additions during the year	-	1,786	1,786
End of financial year	155	29,053	29,208

Accumulated Depreciation

Beginning of financial year	155	25,771	25,926
Charges during the year	-	1,348	1,348
End of financial year	155	27,119	27,274

Net Book value as at 31.03.2018

-	1,934	1,934
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2017	Office Equipment	Computers	Total
At Cost	S\$	S\$	S\$
Beginning of financial year	155	27,267	27,422
End of financial year	155	27,267	27,422

Accumulated Depreciation

Beginning of financial year	155	23,749	23,904
Charges during the year	-	2,022	2,022
End of financial year	155	25,771	25,926

Net Book value as at 31.03.2017

-	1,496	1,496
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10. DUE FROM A RELATED COMPANY

	2018	2017
	S\$	S\$
Loan given	327,500	350,000
	327,500	350,000

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10. DUE FROM A RELATED COMPANY CONT'D...

This represents an amount of USD 250,000(2017:US\$ 250,000/-) given to a related (non-trade) company (fellow subsidiary) and repayable within a period of 3 years with an interest rate of 5% p.a.

11. TRADE AND OTHER RECEIVABLES

	2018 S\$	2017 S\$
Trade receivables		
Trade debtors	428,245	191,030
Unbilled revenue	598,273	467,106
	<u>1,026,518</u>	<u>658,136</u>
Other receivables		
Employee advance	1,500	705
Other deposits	39,159	21,433
	<u>40,659</u>	<u>22,138</u>
Total trade and other receivables	<u>1,067,177</u>	<u>680,274</u>

Trade and other receivables are denominated in the following currencies

	2018 S\$	2017 S\$
Singapore dollar	1,064,258	667,866
United states Dollar	2,919	12,408
	<u>1,067,177</u>	<u>680,274</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Company has trade receivables amounting to **S\$ 282,044 (2017: S\$ 13,375)** that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:-

Trade receivables past due:

	2018 S\$	2017 S\$
1-30 days	171,745	13,375
31-60 days	48,239	-
Above 90 days	62,060	-
	<u>282,044</u>	<u>13,375</u>

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12. CASH AND CASH EQUIVALENTS

	2018	2017
	S\$	S\$
Cash at bank	348,769	411,539
	<u>348,769</u>	<u>411,539</u>

Cash and cash equivalents are denominated in the following currencies

	2018	2017
	S\$	S\$
Singapore dollar	282,260	152,655
United states dollar	66,509	258,884
	<u>348,769</u>	<u>411,539</u>

13. TRADE AND OTHER PAYABLES

	2018	2017
	S\$	S\$
Due to related parties* (note 14)	68,884	33,783
Trade creditors-third party*	31,839	-
Accruals	52,665	26,535
GST	29,285	23,482
Other creditors	9,548	30
	<u>192,221</u>	<u>83,830</u>

Trade payables are non-interest bearing and are generally on 30 days' term.

14. DUE TO HOLDING COMPANY AND RELATED PARTY

The holding company is SAKSOFT LIMITED, a company incorporated in India. The amounts are due to holding company and related party for trading at arm's length transactions and interest free terms. Trade payables are normally settled on 30 days terms.

	2018	2017
	S\$	S\$
Payable to holding company	14,817	17,553
Payable to a related party	54,067	16,230
	<u>68,884</u>	<u>33,783</u>

	2018	2017
	S\$	S\$
United States dollar	20,403	25,143
Singapore dollar	48,481	8,640
	<u>68,884</u>	<u>33,783</u>

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15. DEFERRED REVENUE

This represents advance receipt on services and an amount of S\$ 2,720 are denominated in United States Dollars

16. SHARE CAPITAL

	No. of shares		Amount in S\$	
	2018	2017	2018	2017
Issued & fully paid up ordinary shares				
At 01 April and 31 March	555,002	555,002	555,002	555,002
	555,002	555,002	555,002	555,002

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

17. DIVIDEND

In previous year the Company has paid interim dividend of S\$ 0.36 per share amounting to S\$ 200,000 to the shareholders.

18. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and the net current asset position in order to support its business and maximize shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives policies or processes during the financial year ended 31 March 2018 and 31 March 2017.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2017.

	2018	2017
	S\$	S\$
Net debt	-	-
Total equity	1,536,038	1,363,041
Total capital	1,536,038	1,363,041

19. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current

NOTES TO THE FINANCIAL STATEMENTS
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19. FINANCIAL RISK MANAGEMENT

and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

(a) Market risk

i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Exposure of credit risk

The Company has no significant concentration of credit risk other than balances from one debtor amounting to S\$ 208,370 (2017: S\$ 61,300) of trade receivables. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their loan to related party.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instrument at the end of the financial year.

iii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

**NOTES TO THE FINANCIAL STATEMENTS
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19. FINANCIAL RISK MANAGEMENT CONT'D...

(iii) Foreign currency risk cont'd...

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD)

The Company's currency exposures to the USD at the reporting date was as follows:

	2018	2017
	US\$	US\$
Financial assets		
Trade and other receivables	2,919	12,408
Loan to related party	327,500	350,000
Cash and cash equivalents	66,509	258,884
	<u>396,928</u>	<u>621,292</u>
Financial liabilities		
Trade and other payables	(20,403)	(25,143)
	<u>(20,403)</u>	<u>(25,143)</u>
 Currency exposures	 376,525	 596,149

A 5% strengthening of Singapore dollar against the foreign currency denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all over other variables remain constant.

	Profit or loss (after tax)	
	2018	2017
	S\$	S\$
United States dollar	15,626	24,740

A 5% weakening of Singapore dollar against the above currency would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

iv) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

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19. FINANCIAL RISK MANAGEMENT CONT'D...

Financial assets	Carrying amount S\$	2018 One year or less S\$	Two to five years S\$
Loan to a related party	327,500	-	327,500
Trade receivables	1,026,518	1,026,518	-
Other receivables	40,659	40,659	-
Cash and cash equivalents	348,769	348,769	-
Total undiscounted financial assets	1,743,446	1,415,946	327,500

Financial liabilities	Carrying amount S\$	2018 One year or less S\$	Two to five years S\$
Trade payables	100,723	100,723	-
Other payables	91,498	91,498	-
Total undiscounted financial liabilities	192,221	192,221	-
Total net undiscounted financial assets	1,551,225	1,223,725	327,500

Financial assets	Carrying amount S\$	2017 One year or less S\$	Two to five years S\$
Loan to a related party	350,000	-	350,000
Trade receivables	658,136	658,136	-
Other receivables	22,138	22,138	-
Cash and cash equivalents	411,539	411,539	-
Total undiscounted financial assets	1,441,813	1,091,813	350,000

Financial liabilities	Carrying amount S\$	2017 One year or less S\$	Two to five years S\$
Trade payables	33,783	33,783	-
Other payables	50,047	50,047	-
Total undiscounted financial liabilities	83,830	83,830	-
Total net undiscounted financial assets	1,357,983	1,007,983	350,000

v) Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

**NOTES TO THE FINANCIAL STATEMENTS
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19. FINANCIAL RISK MANAGEMENT CONT'D...

v) Fair values cont'd...

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and payables

The carrying amounts of these receivables and payables (including trade balances due to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Loan to a related party

The carrying amounts of loan to a related party approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

vi) Fair value instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortized cost were as follows:

	2018	2017
	S\$	S\$
Loans and receivables		
Loan to a related party (note 10)	327,500	350,000
Trade and other receivables (note 11)	1,067,177	680,274
Cash and cash equivalents (note 12)	348,769	411,539
Total loans and receivables	1,743,446	1,441,813
	2018	2017
	S\$	S\$
Financial liabilities measured at amortised cost		
Trade and other payables (note 13)	192,221	83,830
Total financial liabilities measured at amortized cost	192,221	83,830

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

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20. SIGNIFICANT RELATED PARTY TRANSACTIONS CONT'D...

Company		Amount of transaction	
Nature of transaction	Nature of Relationship	2018	2017
		S\$	S\$
Professional fees	Holding company	255,674	218,726
Professional fees	Group company	94,216	52,576
Interest income	Group company	16,972	17,282
