

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

AUDITED FINANCIAL STATEMENTS - 31 MARCH 2021

CONTENTS	PAGE
DIRECTORS' STATEMENT	2-3
INDEPENDENT AUDITOR'S REPORT	4-6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11-34

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors are pleased to present their statement to the member together with the audited financial statements of Saksoft Pte Limited (the Company) for financial the year ended 31 March 2021.

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 2021 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 The Company	Number of Shares	
	At the beginning of the year	At the end of the year
Aditya Krishna	1	1
Holding Company: Saksoft Limited		
Aditya Krishna	2,218,640	2,218,640

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

Share options:

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

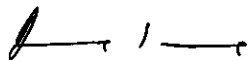
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

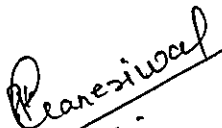
Auditors

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: 21-May-2021



MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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 as at 31 March 2021, and 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 2021 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.

SAKSOFT PTE LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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.

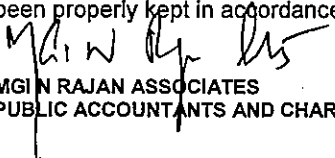
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SAKSOFT PTE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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. N. RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

Singapore

Date: 21 MAY 2021

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Non-current assets			
Plant and equipment	9	854	1,459
		<u>854</u>	<u>1,459</u>
Current assets			
Prepayments		9,662	8,378
Trade receivables	10	1,459,298	1,109,700
Other receivables	10	189,362	15,910
Cash and cash equivalents	11	842,058	606,543
		<u>2,500,380</u>	<u>1,740,531</u>
Total assets		<u>2,501,234</u>	<u>1,741,990</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	555,002	555,002
Retained earnings		1,014,276	787,433
Equity attributable to owners of the Company		<u>1,569,278</u>	<u>1,342,435</u>
Current liabilities			
Income tax payable	8	15,502	-
Contract liabilities	12	110,294	6,410
Trade and other payables	13	806,160	393,145
		<u>931,956</u>	<u>399,555</u>
Total equity and liabilities		<u>2,501,234</u>	<u>1,741,990</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 2021

	Note	2021 S\$	2020 S\$
Revenue	4	3,514,468	3,030,212
Cost of sales	5	(3,249,565)	(2,977,899)
Gross profit		264,903	52,313
Other income	6	78,766	24,891
		343,669	77,204
Expenses			
Administrative and other operating expenses		(101,324)	(68,253)
Profit before tax	7	242,345	8,951
Income tax expense	8	(15,502)	(3,416)
Profit for the year, representing total comprehensive income for the year		226,843	5,535

(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 2021

	Share capital S\$	Retained earnings S\$	Total S\$
At 1 April 2019	555,002	931,898	1,486,900
Dividend paid (note 15)	-	(150,000)	(150,000)
Profit for the year, representing total comprehensive income for the year	-	5,535	5,535
At 31 March 2020 and 1 April 2020	555,002	787,433	1,342,435
Profit for the year, representing total comprehensive income for the year	-	226,843	226,843
At 31 March 2021	555,002	1,014,276	1,569,278

(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 2021

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Profit before tax		242,345	8,951
Adjustment for			
Depreciation of plant and equipment		605	605
Interest income		-	(7,951)
		<u>242,950</u>	<u>1,605</u>
Changes in working capital			
Trade receivables and contract assets		(349,598)	(199,594)
Other receivables and prepayments		(174,736)	24,271
Trade and other payables		413,015	204,658
Contract liabilities		103,884	(52,065)
		<u>235,515</u>	<u>(21,125)</u>
Cash flows from /(used in) operations			
Income tax paid-net		-	(1,007)
Foreign tax paid		-	(2,409)
		<u>235,515</u>	<u>(24,541)</u>
Net cash flows (used in)/from operating activities			
Cash flows from financing activities			
Interest received		-	7,951
Repayment of loan by related company		-	340,000
Dividend paid		-	(150,000)
		<u>-</u>	<u>197,951</u>
Net cash flows from financing activities			
Net increase/(decrease) in cash and cash equivalents		235,515	173,410
Cash and cash equivalents at beginning of the year		606,543	433,133
Cash and cash equivalents at end of the year	11	<u>842,058</u>	<u>606,543</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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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 providing Information technology services providing support services to customers viz Consulting, Design, Custom Application development, RaaS, BI & DW Services, Systems integration, Implementation, Assurance and Placement services. 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.

Covid-19 Impact

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in any impact to the Company and the Directors also believe that the outbreak will have no material impact on the Company's performances on the coming financial year. The management will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Company.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendment to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendment to FRS 16 Property, Plant and equipment	1 January 2022
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 37 Provisions, Contingent liabilities and Contingent Assets: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current and Non-current	1 January 2023
Annual Improvements to FRSs 2018-2020	1 January 2022

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application

2.4 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Income from services

The Company is primarily engaged in providing Information technology services providing support services to customers viz Consulting, Design, Custom Application development, RaaS, BI & DW Services, Systems integration, Implementation, Assurance and Placement services.

The Company recognized revenue at over time for its projects.

Revenue from time and material services recognised on time spent on the project.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.4 Revenue recognition cont'd...

The Company uses the percentage of completion method in accounting for its fixed price contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the estimated total efforts or costs to be expended, as applicable. Provisions for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the estimates at the reporting date.

The Company principally operates fixed price contracts. Revenue is recognised when control over the products has been transferred to the customer over time, by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method).

In applying the percentage of completion method, revenue recognised corresponds to the total project revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

For products whereby the Company does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Company has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Company has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the company performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Company recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of 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 plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the, plant and equipment.

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 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 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.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.7 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognized in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

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, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

b) 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.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.7 Financial instruments cont'd...

b) Financial liabilities cont'd...

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.

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.

2.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 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.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.9 Provisions cont'd...

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.

2.10 Cash and cash equivalents

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

2.11 Foreign currency translation and balances

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.

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

2.12 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.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

2.12 Taxes cont'd...

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.

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.

2.13 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.

2.14 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.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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

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)
- (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.

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.

3.1 Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES CONT'D...

Income from services

For the financial year ended 31 March 2021, the Company recognised fixed bid project revenue of S\$1,975,633 (2020: S\$1,713,388) and the carrying amounts of contract assets and contract liabilities arising from these projects as at 31 March 2021 amounted to S\$792,947 and S\$110,294 (31 March 2020: S\$490,109 and S\$6,410 respectively). The Company recognised revenue from project contracts using the input method that reflect the overtime transfer of control to its customers, which is measured by reference to the Company's progress towards completing the performance obligation on the contract. The measure of progress is determined by reference to the contract costs incurred to date as a percentage of the total estimated costs for each contract. The carrying amounts of assets and liabilities arising from contracts at the end of each reporting period are disclosed in Note 10 and 12 to the financial statements.

3.2 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.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 10.

The carrying amounts of the Company's trade receivables as at 31 March 2021 were S\$ 666,351 (2020: S\$ 619,591).

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

4. REVENUE

	Income from services	
	2021	2020
Revenue	S\$	S\$
Revenue from support services-time and material	1,464,108	1,316,824
Revenue from fixed bid project	1,975,633	1,713,388
Revenue from Cloud space services	74,727	-
Sale of services	3,514,468	3,030,212
Timing of transfer of goods and services	2021	2020
	S\$	S\$
Over time	3,514,468	3,030,212
	3,514,468	3,030,212

(a) Recognition of project revenue over time

For the project revenue where the Company satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Company's performance in transferring control to the customers, as it reflects the Company's efforts incurred to date relative to the total inputs expected to be incurred for the projects. The measure of progress is based on the labour man hours expended to date as a proportion of total labour man hours expected to be incurred up to the satisfaction of performance obligation.

The determination of actual labour man hours expended towards satisfaction of performance obligations and remaining labour man hours that will be expended for the satisfaction of performance obligations of each contract requires significant management judgement and estimation. The management relies on past experience and knowledge of the project engineers to make estimates of the labour man hours to be expended. In making these, estimates, management takes in to consideration the historical trends of the labour man hours expended on other similar projects in the past.

Contract liabilities

Contract liabilities relate to the Company's obligation to provide support services to its customers for which the Company has received advances from its customers. Contract liabilities are recognized as revenue over the period of time as it renders the support services to its customers. Revenue recognized during the year which was included in the contract liabilities balance at the beginning of the year was S\$ 6,410 (2020: S\$ 58,475).

(b) Transaction price allocated to remaining performance obligation

Management expects that the transaction price allocated to remaining unsatisfied (or partially unsatisfied) performance obligations as at 31 March 2021 and 2020 may be recognized as revenue in the next reporting periods as follows:

	2021	2020	Total
	S\$	S\$	S\$
Unsatisfied and partially unsatisfied performance obligations as at			
31 March 2021	1,496,203	-	1,427,253
31 March 2020	-	1,229,317	1,229,317

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

5. COST OF SALES

	2021	2020
	S\$	S\$
Staff cost		
- Staff salaries	1,412,996	1,731,603
- Staff CPF	43,478	34,802
Reimbursement to employees	1,094	258
Internet infra cloud services	75,033	-
Employees insurance	11,477	12,400
Professional fee (note 20)	359,452	195,607
Support cost	1,346,035	1,003,229
	<u>3,249,565</u>	<u>2,977,899</u>

6. OTHER INCOME

	2021	2020
	S\$	S\$
Miscellaneous income	1,849	808
Grant income-Job support scheme	68,662	-
Wage credit income	1,300	-
Jobs growth incentive	5,975	-
Interest from bank/ related company	60	7,951
Exchange gain	920	16,132
	<u>78,766</u>	<u>24,891</u>

7. PROFIT BEFORE TAX

Profit before tax has been arrived after charging:

	2021	2020
	S\$	S\$
Bank charges	108	7,033
Depreciation on fixed assets	605	605
Realised & Un-realized exchange loss	14,072	11
Office facility charges	2,892	2,892
Professional fee	60,549	32,811
Travelling expenses	9,507	6,220

8. TAX EXPENSE

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2021 and 2020 were:

	2021	2020
	S\$	S\$
Current tax	15,502	-
Under/(over) provision of tax in prior years	-	1,007
Foreign tax paid	-	2,409
Income tax expense recognized in profit or loss	<u>15,502</u>	<u>3,416</u>

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

8. TAX EXPENSE CONT'D...

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:

	2021 S\$	2020 S\$
Profit before taxation	242,345	8,951
Singapore statutory rate of 17% (2020:17%)	41,199	1,522
Tax effect on non-deductibles	(9,345)	(2,681)
Partial tax exemption	(16,352)	-
Deferred tax asset not recognized	-	1,159
Under/(over) provision of tax in prior years	-	1,007
Foreign tax paid	-	2,409
	<u>15,502</u>	<u>3,416</u>

MOVEMENT IN TAXATION

	2021 S\$	2020 S\$
Beginning of financial year	-	-
Under/(over) provision of tax in prior year	-	1,007
Tax paid-net	-	(1,007)
Current year provision	15,502	-
End of financial year	<u>15,502</u>	<u>-</u>

9. PLANT AND EQUIPMENT

2021	Office Equipment	Computers	Total
At Cost	S\$	S\$	S\$
Beginning of financial year	155	30,292	30,447
Additions during the year	-	-	-
End of financial year	<u>155</u>	<u>30,292</u>	<u>30,447</u>
Accumulated Depreciation			
Beginning of financial year	155	28,833	28,988
Charges during the year	-	605	605
End of financial year	<u>155</u>	<u>29,438</u>	<u>29,593</u>
Net Book value as at 31.03.2021	<u>-</u>	<u>854</u>	<u>854</u>

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

9. PLANT AND EQUIPMENT CONT'D...

2020	Office Equipment	Computers	Total
At Cost	S\$	S\$	S\$
Beginning of financial year	155	30,292	30,447
Additions during the year	-	-	-
End of financial year	155	30,292	30,447
Accumulated Depreciation			
Beginning of financial year	155	28,228	28,383
Charges during the year	-	605	605
End of financial year	155	28,833	28,988
Net Book value as at 31.03.2020	-	1,459	1,459

10. TRADE AND OTHER RECEIVABLES

	2021	2020
	S\$	S\$
Trade receivables		
Trade debtors	666,351	619,591
Contract assets	792,947	490,109
	1,459,298	1,109,700
Other receivables		
Employee advance	-	500
Grant receivable	5,063	-
Other deposits	184,299	15,410
	189,362	15,910
Total trade and other receivables	1,648,660	1,125,610

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.

There were no trade receivables that were impaired as at 31 March 2021 and 2020

Expected credit losses

There were no significant expected credit losses, computed based on Lifetime ECL, of trade receivables as at 31 March 2021.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

11. CASH AND CASH EQUIVALENTS

	2021	2020
	S\$	S\$
Cash at bank	842,058	606,543
	<u>842,058</u>	<u>606,543</u>

Cash and cash equivalents are denominated in the following currencies

	2021	2020
	S\$	S\$
Singapore dollar	772,640	275,337
United states dollar	69,418	331,206
	<u>842,058</u>	<u>606,543</u>

12. CONTRACT LIABILITIES

	2021	2020
	S\$	S\$
Advance payment from customer	110,294	6,410
	<u>110,294</u>	<u>6,410</u>

13. TRADE AND OTHER PAYABLES

	2021	2020
	S\$	S\$
Due to related parties* (note 13a)	126,962	26,842
Trade creditors-third party*	598,535	290,528
Accruals	37,979	46,204
GST	42,684	29,571
Other creditors	-	-
	<u>806,160</u>	<u>393,145</u>

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

13a. DUE TO HOLDING COMPANY AND RELATED COMPANY

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.

	2021	2020
	S\$	S\$
Payable to holding company	87,701	6,737
Payable to a related party	39,261	20,105
	<u>126,962</u>	<u>26,842</u>

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

13a. DUE TO HOLDING COMPANY AND RELATED COMPANY CONT'D...

Due to holding company and related company are denominated in the following currencies:

	2021	2020
	S\$	S\$
United States dollar	39,261	20,105
Singapore dollar	87,701	6,737
	<u>126,962</u>	<u>26,842</u>

14. SHARE CAPITAL

	No. of shares		Amount in S\$	
	2021	2020	2021	2020
Issued & fully paid up ordinary shares	555,002	555,002	555,002	555,002
At 01 April and 31 March	<u>555,002</u>	<u>555,002</u>	<u>555,002</u>	<u>555,002</u>

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.

15. DIVIDEND

During the year the Company has paid interim dividend of S\$ Nil (2020: S\$ 0.27) per share amounting to S\$ Nil (2020: S\$ 150,000) to the shareholders.

16. CAPITAL MANAGEMENT

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optional capital structure to reduce the cost of capital.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including trade and other payables as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as total equity, as shown in the statement of financial position, plus net debts.

No specific gearing ratio has been determined by management with the overall objective to keep the ratio as low as possible and such policy has not been changed since the previous financial year.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

16. CAPITAL MANAGEMENT CONT'D...

The gearing ratio at 31 March 2021 and 2020 were as follows:

	2021	2020
	S\$	S\$
Trade and other payables	806,160	393,145
Less: Cash and cash equivalents	<u>(842,058)</u>	<u>(606,543)</u>
Net debt	-	-
Total equity	<u>1,569,278</u>	<u>1,342,435</u>
Total capital	<u>1,569,278</u>	<u>1,342,435</u>

17. 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 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's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. FINANCIAL RISK MANAGEMENT CONT'D...

i) Credit risk cont'd...

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. FINANCIAL RISK MANAGEMENT CONT'D...

i) **Credit risk cont'd...**

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

	Note	Category	12-month or lifetime ECL	Gross carrying amount SGD	Loss allowance SGD	Net carrying amount SGD
31 March 2021						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	666,351	-	666,351
Contract assets	10	Note 1	Lifetime ECL (simplified)	792,947	-	792,947
Other receivables	10	1	12-month ECL	184,299	-	184,299
					-	
31 March 2020						
Trade receivables	10	Note 1	Lifetime ECL (simplified)	619,591	-	619,591
Contract assets	10	Note 1	Lifetime ECL (simplified)	490,109	-	490,109
Other receivables	10	1	12-month ECL	15,910	-	15,910
					-	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Company has not provided any lifetime expected credit losses ("ECL") for trade receivables as based on the Company's historical trend and forward looking analysis as ECL loss is not material.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. FINANCIAL RISK MANAGEMENT CONT'D...

i) Credit risk cont'd...

The Company believes that all receivables are collectible based on historical payment behaviors and creditworthiness of customers.

	Trade receivables						Total
	Not due	past 0-30 days	Days past due		Above 90 days		
			31-60 days	61-90 days			
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
31 March 2021							
ECL rate	0%	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	405,603	202,089	25,863	10,239	22,557	666,351	
ECL	-	-	-	-	-	-	-
							<u>666,351</u>
31 March 2020							
ECL rate	0%	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	299,864	257,640	9,309	42,613	10,165	619,591	
ECL	-	-	-	-	-	-	-
							<u>619,591</u>

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure of credit risk

The Company has no significant concentration of credit risk other than balances from three debtors amounting to S\$ 474,787 (2020: S\$ 364,691 from two debtors) of trade receivables. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month for opening balances and life time ECL and for the current balances which is insignificant.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. FINANCIAL RISK MANAGEMENT CONT'D...

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.

At the reporting date, the Company has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

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.

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:

	2021	2020
	S\$	S\$
Financial assets		
Cash and cash equivalents	69,418	331,206
	<u>69,418</u>	<u>331,206</u>
Financial liabilities		
Trade and other payables	(39,261)	(20,105)
	<u>(39,261)</u>	<u>(20,105)</u>
Currency exposures	<u>30,157</u>	<u>311,101</u>

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)	
	2021	2020
	S\$	S\$
United States dollar	<u>1,252</u>	<u>12,911</u>

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.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

17. FINANCIAL RISK MANAGEMENT CONT'D...

ii) 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.

Financial assets	Carrying amount S\$	2021	
		One year or less S\$	Two to five years S\$
Trade receivables	666,351	666,351	-
Contract assets	792,947	792,947	-
Other receivables	184,299	184,299	-
Cash and cash equivalents	842,058	842,058	-
Total undiscounted financial assets	2,485,655	2,485,655	-
Financial liabilities			
Trade payables	725,497	725,497	-
Other payables	37,979	37,979	-
Total undiscounted financial liabilities	763,476	763,476	-
Total net undiscounted financial assets	1,722,179	1,722,179	-
2020			
Financial assets	Carrying amount S\$	2020	
		One year or less S\$	Two to five years S\$
Trade receivables	619,591	619,591	-
Contract assets	490,109	490,109	-
Other receivables	15,910	15,910	-
Cash and cash equivalents	606,543	606,543	-
Total undiscounted financial assets	1,732,153	1,732,153	-
Financial liabilities			
Trade payables	317,370	317,370	-
Other payables	46,204	46,204	-
Total undiscounted financial liabilities	363,574	363,574	-
Total net undiscounted financial assets	1,368,579	1,368,579	-

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

18. FAIR VALUES

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.

19. FAIR VALUE INSTRUMENTS BY CATEGORY

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

	2021	2020
	S\$	S\$
Financial assets at amortised cost		
Trade receivables (note 10)	666,351	619,591
Other receivables (note 10)	189,362	15,910
Contract assets (note 10)	792,947	490,109
Cash and cash equivalents (note 11)	842,058	606,543
	<u>2,490,718</u>	<u>1,732,153</u>
Less: Grant receivable	(5,063)	-
Total financial assets measured at amortised cost	<u>2,485,655</u>	<u>1,732,153</u>
Financial liabilities measured at amortised cost		
Trade and other payables (note 12)	806,160	393,145
Less: GST	(42,684)	(29,571)
Total financial liabilities measured at amortized cost	<u>763,476</u>	<u>363,574</u>

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.

Company	Nature of transaction	Nature of Relationship	Amount of transaction	
			2021	2020
			S\$	S\$
Professional fees		Holding company	273,168	136,138
Professional fees		Group company	86,284	59,469
Interest income		Group company	-	7,951

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

21. EVENT AFTER REPORTING PERIOD

The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

The Covid-19 outbreak however did not have any impact on the Company's operations and its financial performance subsequent to the financial year end and believes that its cash flows remain manageable, with the ability to pay its liabilities when they are due.

As the situation continues to evolve with significant level of uncertainty, the Company is unable to reasonably estimate the full financial impact of the COVID-19 outbreak. The Company is monitoring the situation closely and to mitigate the financial impact, it is conscientiously managing its cost with appropriate strategies for conserving liquidity.

22. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 March 2021 were authorized for issue in accordance with a resolution of the Board of Directors of the Company.

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

(This does not form part of audited financial statements)

**DETAILED COMPREHENSIVE INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021**

	2021	2020
	S\$	S\$
Revenue		
Sale of service	3,514,468	3,030,212
	<u>3,514,468</u>	<u>3,030,212</u>
Cost of services		
Salary	1,412,996	1,731,603
CPF and skills development levy	43,478	34,802
Internet infra cloud service	75,033	-
Employees insurance	11,477	12,400
Support cost	1,346,035	1,003,229
Reimbursement to employees	1,094	258
Professional fee	359,452	195,607
Total cost	<u>3,249,565</u>	<u>2,977,899</u>
Gross profit	<u>264,903</u>	<u>52,313</u>
Other income		
Miscellaneous income	1,849	808
Job support scheme	68,662	-
Wage credit income	1,300	-
Job growth incentive	5,975	-
Interest from bank/on loan to related company	60	7,951
Realized/Unrealized exchange gain	920	16,132
	<u>78,766</u>	<u>24,891</u>
	<u>343,669</u>	<u>77,204</u>
Expenses		
Audit fee	9,306	6,934
Business promotion expenses	-	917
Bank charges	108	7,033
Professional fee others	60,549	32,811
Depreciation on fixed assets	605	605
Nominee secretary fee	600	600
Office facility charges	2,892	2,892
Printing and stationery	188	33
Repairs and maintenance-office expenses	-	3,370

SAKSOFT PTE LIMITED
(Incorporated in the Republic of Singapore)

**DETAILED COMPREHENSIVE INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021 (CONTINUED)**

	2021	2020
	S\$	S\$
Realised exchange loss	407	11
Subscription charges	300	600
Staff welfare expenses	1,100	3,168
Telephone expenses	2,097	3,059
Travel expenses	9,507	6,220
Unrealised exchange loss	13,665	-
	<u>101,324</u>	<u>68,253</u>
Profit for the year	<u>242,345</u>	<u>8,951</u>