NEWGEN SOFTWARE TECHNOLOGIES PTE. LTD.

(Incorporated in Singapore)
Reg. No.:201210314H

Audited Financial Statements For the financial year ended 31 March 2018

AAA Assurance PAC
Public Accountants and
Chartered Accountants
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The directors are pleased to present their statement to the members together with the audited financial statements of NEWGEN SOFTWARE TECHNOLOGIES PTE. LTD. (the "Company") For the financial year ended 31 March 2018.

Opinion of the Directors

In the opinion of the directors,

(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 period 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:

Diwakar Nigam
Julia Kwok Yung Chu
Rajive Chandra
Varadarajan Tirumalai Sundaraja Iyengar

Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial period 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' Interests in Shares or Debentures

According to the register of director's shareholdings to be 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.

	Direct interest		Deemed interest	
	At 1.4.2017	At 31.3.2018	At 1.4.2017	At 31.3.2018
Name of Director	Ordinary Shares of the Company			
The Company				
Diwakar Nigam	-	-	102,600	102,600
Varadarajan Tirumalai Sundaraja Iyengar	-	-	75,950	75,950
Holding company				
Diwakar Nigam	18,422,406	18,422,406	7,968,906	7,968,906
Varadarajan Tirumalai Sundaraja Iyengar	15,009,306	15,009,306	4,528,320	4,528,320

Share Options

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

There were no shares issued during the financial period 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.

Independent Auditor

AAA ASSURANCE PAC, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Diwakar Nigam
Director

Varadarajan Tirumalai Sundaraja Iyengar
Director

11 MAY 2018

Singapore

AAA ASSURANCE PAC
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWGEN SOFTWARE TECHNOLOGIES PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Newgen Software Technologies Pte. Ltd. (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 period 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 period 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 Matters

The financial statements of the Company for the financial year ended 31 March 2017 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 24 May 2017.

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.

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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.

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.

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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.

AAA

AAA Assurance PAC
Public Accountants and Chartered Accountants

Singapore

11 MAY 2018

	Note	2018 $	2017 $
Turnover	4	2,465,068	814,207
Cost of sales/services	5	(2,124,057)	(494,281)
Gross profit		341,011	319,926
Other income		2,361	843
Selling and distribution expenses		-	(400)
Administrative expenses		(194,201)	(140,173)
Other operating expenses		(92,443)	(136,887)
Profit before tax	6	**56,728**	**43,309**
Income tax expense	7	(3,816)	(2,279)
Profit for the year, representing total comprehensive income for the year		**52,912**	**41,030**

The annexed notes form an integral part of the audited financial statements.

	Note	2018 $	2017 $
Equity			
Share capital	8	250,000	250,000
Retained earnings		163,472	110,560
		413,472	**360,560**
Represented by:			
Non-Current Asset			
Plant and equipment	9	749	1,949
Current Assets			
Cash and bank balances		373,296	319,163
Trade receivables	10	760,416	456,737
Other Receivables		14,049	-
Deposits		15,200	15,200
Prepayments		6,612	5,770
		1,169,573	796,870
Less: Current Liabilities			
Amount due to holding company	11	333,932	240,924
Deferred Revenue, Other Payables and Accruals	12	418,745	194,649
Provision for tax		4,173	2,686
		756,850	438,259
Net Current Assets		412,723	358,611
Net Assets		**413,472**	**360,560**

The annexed notes form an integral part of the audited financial statements.

	Share capital $	Retained earnings $	Total $
Balance at 31/3/2016	**250,000**	**69,530**	**319,530**
Profit for the year, representing total comprehensive income for the year	-	41,030	41,030
Balance at 31/3/2017	**250,000**	**110,560**	**360,560**
Profit for the year, representing total comprehensive income for the year	-	52,912	52,912
Balance at 31/3/2018	**250,000**	**163,472**	**413,472**

	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	56,728	43,309
Adjustments:		
Bad debts written-off	-	96,327
Depreciation of plant and equipment	1,200	1,392
	57,928	141,028
Changes in working capital:		
Trade receivables	(303,679)	(142,035)
Other receivables	(14,049)	-
Prepayments	(842)	(2,521)
Amount due to holding company	93,008	129,152
Deferred revenue, other payables and accruals	224,096	63,074
Cash generated from operating activities	56,462	188,698
Income tax paid	(2,329)	(56)
Net cash generated from operating activities	54,133	188,642
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of plant and equipment	-	(1,724)
Net cash used in investing activity	-	(1,724)
Net increase in cash and cash equivalents	54,133	186,918
Cash and cash equivalents at beginning of the year	319,163	132,245
Cash and cash equivalents at end of the year	**373,296**	**319,163**
Comprising:		
Bank balances	372,296	318,163
Cash in hand	1,000	1,000
	373,296	**319,163**

The annexed notes form an integral part of the audited financial statements.

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

1. General

NEWGEN SOFTWARE TECHNOLOGIES PTE. LTD. ("The Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 6 Shenton Way, #38-01, OUE Downtown 1, Singapore 068809.

The principal activities of the Company are those of sales and maintenance of software solutions and related products of its holding company in Asia Pacific.

There has been no significant change in the nature of these activities during the financial year.

The immediate and ultimate holding company is Newgen Software Technologies Limited, a company incorporated in India.

2. Summary of Significant Accounting Policies

2.1 Basis of Preparation

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

The financial statements are presented in Singapore Dollars ("SGD" or "S$") which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest one dollar, unless otherwise indicated.

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 January 2017. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 Standards Issued but Not Yet Effective

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018

2. Summary of Significant Accounting Policies - continued

2.3 Standards Issued but Not Yet Effective – continued

FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019
Improvements to FRSs (December 2016)	1 January 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 January 2018
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
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

Except for FRS 109, 115 and 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115, 109 and 116 are described below.

<u>FRS 115 Revenue from Contracts with Customers</u>

This is the converged standard on revenue recognition. It replaces FRS11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or servces to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

– Step 1: Identify the contract(s) with a customer
– Step 2: Identify the performance obligations in the contract
– Step 3: Determine the transaction price
– Step 4: Allocate the transaction price to the performance obligations in the contract
– Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management is currently assessing the effects of applying the new standard on the Company's financial statements.

2. Summary of Significant Accounting Policies - continued

2.3 Standards Issued but Not Yet Effective – continued

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Company plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Company has performed a preliminary impact assessment of adopting FRS 109 based on currently available information.

Impairment
This includes the FRS 109 requirement for the Company to record expected credit losses on all of its trade receivables on either a 12 month or lifetime basis. The Company expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

This assessment may be subject to changes arising from ongoing analysis, until the Company adopts FRS 109 in the next financial year.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019.

The Company plans to adopt the new standard on the required effective date by applying FRS 116 modified retrospectively with the cumulative effect at the date of initial application.

The Company is currently in the process of analysing the transitional approaches and practical expedients to be elected on transition to FRS 116 and assessing the possible impact of adoption.

2. Summary of Significant Accounting Policies - continued

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 sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from rendering of services

Revenue from rendering of services is recognised when the services have been performed and rendered.

Revenue from software maintenance

Revenue from software maintenance is recognised on a straight-line basis over the contractual period.

2.5 Income 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.

2. Summary of Significant Accounting Policies - continued

2.5 Income Taxes - continued

(b) Deferred tax - continued

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 period 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 recognised 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 recognised 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.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.6 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.

2. Summary of Significant Accounting Policies - continued

2.6 Plant and Equipment - continued

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

	Number of Years
Computers	3

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 period the asset is derecognised.

2.7 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 assets 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 recognised in profit or loss.

A previously recognised 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 recognised. 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 recognised previously. Such reversal is recognised in profit or loss.

2. Summary of Significant Accounting Policies - continued

2.8 Financial Instruments - continued

(a) 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 receivables, other receivables, deposits and cash and cash equivalents.

Cash and cash equivalents comprises bank balances and cash in hand.

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.

(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.

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.

2. Summary of Significant Accounting Policies - continued

2.8 Financial Instruments - continued

(b) Financial liabilities - continued

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 amount due to holding company, other payables and accruals.

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.

2.9 Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of Significant Accounting Policies - continued

2.9 Impairment of Financial Assets - continued

Financial assets carried at amortised cost - continued

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.10 Provisions

General

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.

2. Summary of Significant Accounting Policies - continued

2.10 Provisions - continued

General - continued

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 Operating Leases as Lessee

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.

2.12 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.

2.13 Cash and Cash Equivalents

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

2.14 Foreign Currency Transactions 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. Summary of Significant Accounting Policies - continued

2.15 Employee Benefits

(a) *Defined contribution plans*

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.16 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 control 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 group (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 (or an associate or joint venture of a member of a Company of which the other entity is a member);
iii. Both entities are joint ventures of the same third party;
iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
v. The entity is a post-employment benefit plan for the benefit of employees of either the Company 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 jointly controlled by a person identified in (a);
vii. 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).
viii. 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.

Key management personnel is defined as follows:
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

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.

3.2 Key sources of estimating 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.

Impairment of trade receivables

The impairment of trade receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding trade receivables. In assessing the ultimate realisation of these trade 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 receivables as at 31 March 2018 were $760,416 (31 March 2017: $456,737).

4. Turnover

	2018	2017
	$	$
Maintenance revenue	292,902	191,904
Software related revenue	2,172,166	622,303
	2,465,068	814,207

5. Cost of Sales/Services

	2018 $	2017 $
Offshore Development and Support	1,733,933	240,924
Salaries	357,384	249,041
Sales commission	32,740	4,316
	2,124,057	494,281

6. Profit before tax

Profit before tax has been arrived at after charging:

	2018 $	2017 $
Bad debts written-off	-	96,327
Foreign exchange loss	48,853	5,784
Professional fees	87,804	40,116
Impairment allowance for trade receivables	10,375	-
Rental expenses	31,200	33,384
Travel expenses	75,211	80,370

7. Income Tax Expense

	2018 $	2017 $
Current Income Tax		
- Current year	3,816	2,279

Reconciliation between the income tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial year ended were as follows:

	2018 $	2017 $
Profit before tax	56,728	43,309
Tax calculated at the statutory tax rate of 17% (2017: 17%)	9,644	7,363
Adjustments:		
Tax effect of expenses on non-deductible expenses	749	237
Tax exemption and rebate	(6,577)	(5,369)
Others	-	48
Income tax expense recognised in profit or loss	3,816	2,279

7. Income Tax Expense - continued

Movement in the provision for tax

	2018 $	2017 $
Balance at the beginning of the year	2,686	463
Current year tax	3,816	2,279
Tax paid	(2,329)	(56)
Balance at the end of the year	4,173	2,686

8. Share Capital

	2018		2017	
	Number of shares	Amount $	Number of shares	Amount $
Issued and fully paid ordinary shares:				
At beginning and end of the year	250,000	250,000	250,000	250,000

All issued ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9. Plant and Equipment

	Computer $
Cost	
At 31.3.2016	2,958
Additions	1,724
At 31.3.2017 and 31.3.2018	4,682
Accumulated Depreciation	
At 31.3.2016	1,341
Charge for the year	1,392
At 31.3.2017	2,733
Charge for the year	1,200
At 31.3.2018	3,933
Net Carrying Amount	
At 31.3.2017	1,949
At 31.3.2018	749

10. Trade Receivables

At the reporting date, the Company's trade receivables were denominated in the following currencies:

	2018 $	2017 $
SGD	254,760	79,859
USD	505,656	376,878
	760,416	456,737

Trade receivables are non-interest bearing and are generally on 0 to 30 days' terms.

Receivables that were impaired

The Company's trade receivables that were impaired at the reporting date and the movement of the allowance accounts used to record the impairment were as follows:

	2018 $	2017 $
Trade receivables – nominal amounts	770,791	456,737
Less: allowance for impairment	(10,375)	-
	760,416	456,737

Movement in allowance accounts

	2018 $	2017 $
At the beginning of the year	-	-
Allowance made	10,375	-
At the end of the year	10,375	-

11. Amount due to Holding Company

The amount due to holding company is trade in nature, non-interest bearing and are generally on 30 days' terms.

12. Deferred Revenue, Other Payables and Accruals

	2018 $	2017 $
Deferred revenue	336,741	165,629
Other payables	57,315	7,034
Accruals	24,689	21,986
	418,745	194,649

13. Operating Lease Commitment

Where the company is a lessee

The Company leases premises under non- cancellable operating lease agreements. The future minimum rental payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, are as follows:

	2018 $	2017 $
Within 1 year	10,400	13,910

Minimum lease payment recognised as an expense in profit or loss for the financial period ended 30 September 2017 amounted to $31,200 (2017: $33,384).

14. 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:

	2018 $	2017 $
Cost of sales/services - Offshore development and support	1,733,933	240,924

15. 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, interest rate risk and price risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current financial period, 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 abovementioned 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.

15. Financial Risk Management - continued

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i) 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 translational currency exposures arising from trade 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 above currency at the reporting date were as follows:

2018	**$**
Financial asset	
Trade receivables	505,656
Currency exposure	505,656
2017	**$**
Financial asset	
Trade receivables	376,878
Currency exposure	376,878

A 10% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss after tax	
	2018	**2017**
	$	**$**
USD	41,970	31,281

A 10% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

15. Financial Risk Management - continued

Market Risk - continued

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 cash and cash equivalents.

The Company periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels. The Company has insignificant financial assets and liabilities that are exposed to interest rate risks.

iii) Price Risk

The Company has insignificant exposure to equity price risk as it does not hold any equity financial assets.

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 objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. 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 analyses the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted repayment obligations:

2018	Carrying amount $	Contractual cash flows $	Within 1 year $
Financial assets			
Cash and bank balances	373,296	373,296	373,296
Trade receivables	760,416	770,791	770,791
Deposits	15,200	15,200	15,200
Total undiscounted financial assets	1,148,912	1,159,287	1,159,287
Financial liabilities			
Amount due to holding company	333,932	333,932	333,932
Other payables and accruals	82,004	82,004	82,004
Total undiscounted financial liabilities	(415,936)	(415,936)	(415,936)
Total net undiscounted financial assets	732,976	743,351	743,351

15. Financial Risk Management - continued

Liquidity Risk - continued

2017	Carrying amount $	Contractual cash flows $	Within 1 year $
Financial assets			
Cash and bank balances	319,163	319,163	319,163
Trade receivables	456,737	456,737	456,737
Deposits	15,200	15,200	15,200
Total undiscounted financial assets	791,100	791,100	791,100
Financial liabilities			
Amount due to holding company	240,924	240,924	240,924
Other payables and accruals	29,020	29,020	29,020
Total undiscounted financial liabilities	(269,944)	(269,944)	(269,944)
Total net undiscounted financial assets	521,156	521,156	521,156

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 period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

15. Financial Risk Management - continued

Credit Risk - continued

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 to credit risk

Customers' payment profile and credit exposure are continuously monitored by the management.

i) *Financial assets that are neither past due nor impaired*

Trade receivables and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

	2018	**2017**
	$	**$**
Past due and not impaired:		
Past due by 1 – 30 days	89,958	86,936
Past due by 31 – 90 days	22,211	173,283
Past due more than 90 days	247,564	70,731
	359,733	330,950

Information regarding financial assets that are past due and impaired is disclosed in **Note 10.**

16. 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.

Cash and bank balances, other receivables, deposits, amount due to holding company, other payables and accruals

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

Trade receivables

The carrying amounts of these receivables approximate their fair values as they are subject to normal trade credit terms.

Financial Instruments by Category

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

	Loans and receivables $	Financial liabilities at amortised cost $
2018		
Financial assets		
Cash and bank balances	373,296	-
Trade receivables	760,416	-
Other receivables	14,049	-
Deposits	15,200	-
	1,162,961	-
Financial liabilities		
Amount due to holding company	-	333,932
Other payables and accruals	-	82,004
	-	415,936

16. Fair Values - continued

Financial Instruments by Category - continued

	Loans and receivables $	Financial liabilities at amortised cost $
2017		
Financial assets		
Cash and bank balances	319,163	-
Trade receivables	456,737	-
Deposits	15,200	-
	791,100	-
Financial liabilities		
Amount due to holding company	-	240,924
Other payables and accruals	-	89,230
	-	330,154

17. Capital Management

The primary objective of the Company's capital management is to ensure that is maintains a strong credit rating and net current asset position in order to support its business and maximise 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.

18. Reclassifications and Comparative Figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current period's financial statements. As a result, certain line items have been amended on the face of the statement of financial position and the related notes to the financial statements. Comparative figures have been adjusted to conform to current year's presentation. The reclassifications were not significant. The items reclassified were as follows:

	As previously reported $	Reclassified $	As stated $
Statement of Financial Position			
Trade and other receivables	471,937	(471,937)	-
Trade receivables	-	456,737	456,737
Deposits	-	15,200	15,200
Trade and other payables	435,573	(435,573)	-
Amount due to holding company	-	240,924	240,924
Other payables, deferred revenue and accruals	-	194,649	194,649

19. Authorisation of Financial Statements for Issue

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the directors' statement.

	2018	2017
	$	$
TURNOVER		
Maintenance revenue	292,902	191,904
Software related revenue	2,172,166	622,303
	2,465,068	814,207
COST OF SALES/ SERVICES		
Offshore development and support	1,733,933	240,924
Payroll expenses	357,384	249,041
Sales commission	32,740	4,316
	(2,124,057)	(494,281)
OTHER INCOME		
Bad debts recovery	1,779	-
Miscellaneous income	582	843
	2,361	843
SELLING AND DISTRIBUTION EXPENSES		
Advertising and promotion expenses	-	(400)
ADMINISTRATIVE EXPENSES		
Administrative charges	252	-
Bank service charges	3,810	186
Business expenses	527	120
Exhibitions and seminars	2,084	196
Medical insurance - Group	8,310	5,298
Office supplies/ parking	3,942	2,625
Professional fees	87,804	40,116
Recruitment expenses	-	3,168
Relocation expense	2,750	-
Telephone expenses	9,511	8,094
Travel expenses	75,211	80,370
	(194,201)	(140,173)
OTHER EXPENSES		
Bad debts written-off	-	96,327
Depreciation of plant and equipment	1,200	1,392
Foreign exchange loss	48,853	5,784
General expenses	815	-
Impairment allowance for trade receivables	10,375	-
Rental expenses	31,200	33,384
	(92,443)	(136,887)
PROFIT BEFORE TAX	**56,728**	**43,309**

The above statement does not form part of the audited financial statements.