ZENSAR TECHNOLOGIES (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)
(Registration Number: 199800142Z)

ANNUAL REPORT

For the financial year ended 31 March 2019

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(Incorporated in Singapore)

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For the financial year ended 31 March 2019

Contents

DIRECTORS' STATEMENT

For the financial year ended 31 March 2019

The Directors present their statement to the shareholder together with the audited financial statements of the Company for the financial year ended 31 March 2019.

In the opinion of the directors,

(a) the financial statements as set out on pages 6 to 27 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; 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 in office at the date of this statement are as follows:

A T Vaswani
Sandeep Kishore
Lim Choon Seng (Appointed on 25 March 2019)

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objective was 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 Directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares in, or debentures of, the Company and its related corporations, except as follows:

	Holdings registered in name of director	
	At 31.3.2019	At 31.3.2018
Zensar Technologies Limited (Holding Corporation) (Ordinary shares of Rupee 10 each)		
A T Vaswani	10,000	10,000

Directors' interests in shares or debentures (continued)

According to the register of Directors' shareholdings, certain directors holding office at the end of the financial year had been granted stock options and Performance Award Units (PAUs) by the Company's holding corporation, which entitled them to subscribe for ordinary shares of the said holding corporation pursuant to the 2006 Employee Stock Option Plan and 2016 EPAP PAUs respectively of Zensar Technologies Limited as set out below:

Zensar Technologies Limited	Stock options and PAUs granted to the Directors	
(Holding Corporation)	At 31.03.2019	At 31.03.2018
Sandeep Kishore		
- 2006 Employee Stock Option Plan	-	-
- 2016 EPAP Performance Award Units (PAUs)	150,000	150,000

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were 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.

Independent auditor

The independent auditor, Deloitte & Touche LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Director

Director

[Date]

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	**2019** **$**	2018 $
Revenue	3	**417,008**	885,959
Other gains	3	**20,195**	11,960
Expenses			
- Employee compensation	4	**(315,968)**	(442,772)
- Procurement charges		**(52,268)**	(596,134)
- Depreciation	8	**(372)**	(1,015)
- Travelling – overseas		**(2,233)**	(14,531)
- Rental on operating lease		**(37,055)**	(43,586)
- Corporate overhead expense		**(11,100)**	(19,100)
- Impairment loss on financial assets	16(b)(ii)	**(111,813)**	(44,468)
- Insurance		**(580)**	(3,286)
- Other		**(52,695)**	(127,920)
Loss before income tax		**(146,882)**	(394,893)
Income tax credit	5	**-**	2,882
Net loss		**(146,882)**	(392,011)
Total comprehensive loss		**(146,882)**	(392,011)

The accompanying notes form an integral part of these financial statements.

ZENSAR TECHNOLOGIES (SINGAPORE) PTE. LTD.

BALANCE SHEET
As at 31 March 2019

	Note	2019	2018
		$	$
ASSETS			
Current assets			
Cash and bank balances		**27,811**	242,800
Trade and other receivables	6	**449,173**	301,763
Other current assets	7	**9,126**	9,016
Total current assets		**486,110**	553,579
Non-current assets			
Plant and equipment	8	**-**	372
Investment in a subsidiary	10	**-**	75,000
Total non-current assets		**-**	75,372
Total assets		**486,110**	628,951
LIABILITIES			
Current liabilities			
Trade and other payables	11	**185,000**	180,877
Current income tax liability	5	**10**	92
Total current liabilities		**185,010**	180,969
NET ASSETS		**301,100**	447,982
EQUITY			
Share capital	13	**300,000**	300,000
Retained earnings		**1,100**	147,982
Total equity		**301,100**	**447,982**

The accompanying notes form an integral part of these financial statements.

ZENSAR TECHNOLOGIES (SINGAPORE) PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2019

	Note	Share capital $	Retained earnings $	Total $
2019				
Beginning of financial year		300,000	147,982	447,982
Total comprehensive loss		-	(146,882)	(146,882)
End of financial year		**300,000**	**(1,100)**	**301,100**
2018				
Beginning of financial year		300,000	539,993	839,993
Total comprehensive loss		-	(392,011)	(392,011)
End of financial year		300,000	147,982	447,982

The accompanying notes form an integral part of these financial statements.

ZENSAR TECHNOLOGIES (SINGAPORE) PTE. LTD.

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	2019	2018
	$	$
Cash flows from operating activities		
Loss before income tax	**(146,882)**	(394,893)
Adjustments for:		
Depreciation	**372**	1,015
. Impairment loss on subsidiary	**75,000**	
Impairment loss on financial asset	**37,267**	44,468
	(34,243)	(349,410)
Changes in working capital:		
Trade and other receivables	**(184,677)**	556,721
Other current assets	**(110)**	3,073
Trade and other payables	**4,123**	(187,774)
Cash generated (used in) from operations	**(214,907)**	22,610
Income tax (paid) received	**(82)**	11,306
Net cash (used in) provided by operating activities	**(214,989)**	33,916
Cash flows from investing activity		
Investment in a subsidiary	**-**	(75,000)
Cash used in investing activity	**-**	(75,000)
Net decrease in cash and bank balances	**(214,989)**	(41,084)
Cash and bank balances at beginning of financial year	**242,800**	283,884
Cash and bank balances at end of financial year	**27,811**	242,800

The accompanying notes form an integral part of these financial statements.

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

1. General Information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 600 North Bridge Road, #23-01 Parkview Square Singapore 188778. The principal place of business is 1 Raffles Place # 20-61, One Raffles Place Tower 2, Singapore 048616.

The principal activities of the Company are to provide information technology outsourcing services pertaining to functionality enhancement and server maintenance.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 inputs are unobservable inputs for the asset or liability.

2. Significant accounting policies (Continued)

2.2 Adoption of new and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below.

FRS 109 Financial Instruments

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Company applied FRS 109 with an initial application date of 1 April 2018. The Company has not restated the comparative information, which continues to be reported under FRS 39. There are no restatements required to the comparative information arising from the adoption of FRS109.

The significant accounting policies for financial instruments under FRS 109 is as disclosed under "Financial Instruments" below.

(a) Classification and measurement of financial assets and financial liabilities

The Company has applied the requirements of FRS 109 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The classification of financial assets is based on two criteria: the Company's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Company's financial assets and financial liabilities.

2. Significant accounting policies (Continued)

(b) Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the Company to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of FRS 109 apply.

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

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and the related Interpretations. FRS 115 introduces a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Details of these new requirements as well as their impact on the financial statements are described below.

The Company has applied FRS 115 using the modified retrospective method with the cumulative effect of initially applying this Standard recognised at the date of initial application (1 April 2018) as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and the related Interpretations. The Company has elected to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application.

FRS 115 uses the terms ‘contract asset’ and ‘contract liability’ to describe what might more commonly be known as ‘accrued revenue’ and ‘deferred revenue’, however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position.

Apart from providing more extensive disclosures to the Company’s revenue transactions, management has determined that the adoption of FRS 115 has no material impact on the amounts reported for the current year.

2. Significant accounting policies (continued)

2.3 Revenue recognition (before 1 April 2018)

Revenue comprises the fair value of the consideration received or receivable from customers for the rendering of services in the ordinary course of Company's activities. Revenue from the provision of the information technology outsourcing services and server maintenance is recognised when the services are rendered and the customers have accepted the service and collectability of the related receivable is reasonably assured.

Revenue recognition (from 1 April 2018)

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of service to a customer. The Company has generally concluded that it is the principle in its revenue arrangements and records revenue on a gross basis because it typically controls the service before transferring them to its customers.

Rendering of service

Revenue from rendering of information technology outsourcing services is recognised over time when these services are rendered towards complete satisfaction of the performance obligations.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.4 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2.5 Income taxes

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rate and laws that have been enacted or substantially enacted by the balance sheet date.

2. Significant accounting policies (continued)

2.5 Income taxes (continued)

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability and affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

2.6 Consolidated financial statements

Consolidated financial statements of the Company and its subsidiary have not been prepared as the Company is a wholly owned subsidiary of another company. Consolidated financial statements which are publicly available are prepared by the Company's immediate and ultimate holding corporation, Zensar Technologies Limited, a company incorporated in India, whose registered address is Zensar Knowledge Park, Kharadi, Plot #4, MIDC, Off Nagar Road, Pune – 411 014, India.

2.7 Subsidiary

A subsidiary is an entity which the Company has control. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its return.

Investment in a subsidiary is carried at cost less any impairment in recoverable value that has been recognised in profit or loss.

2.8 Financial Assets (before 1 April 2018)

Loans and receivables

Bank balances, trade and other receivables and refundable deposits are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

2. Significant accounting policies (continued)

Impairment of financial asset

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

2.8 Financial assets (from 1 April 2018)

Classification of financial assets

Debt instruments mainly comprise cash and cash equivalents and trade and other receivables. Financial assets that meet the following conditions are subsequently measured at amortised cost:

• the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

• the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is recognised in profit or loss.

2. Significant accounting policies (continued)

Impairment of financial assets

The Company recognises a loss allowance for expected credit loss ("ECL") on trade receivables at amortised costs. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Company measures the loss allowance based on lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL ("12m ECL"). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate.

The Company assumes that the credit risk on financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 180 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2. Significant accounting policies (continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. There is no significant change in the Company's accounting policy on determination of financial assets from previous year.

2.11 Plants and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

Useful lives	
Office equipment and furniture	3 years
Computers and software	3 years

2. Significant accounting policies (continued)

2.11 Plants and equipment

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is included in profit or loss.

2.12 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.13 Financial Liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid.Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

2. Significant accounting policies (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.14 Operating leases

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Fair value estimation of financial assets and liabilities

The fair value of financial assets and financial liabilities carried at amortised cost approximate their carrying amounts.

2.16 Employee compensation

(a) Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised 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 balance sheet date.

3. Revenue and other gains

	2019	2018
	$	$
Revenue from software consultancy services	**417,008**	885,959
Other gains	**20,195**	11,960
	437,203	897,919

4. Employee compensation

	2019	2018
	$	$
Wages and salaries	**293,883**	390,268
Sales incentive commission	**-**	28,000
Employer's contributions to Central Provident Fund	**22,015**	20,921
Staff benefits	**70**	3,583
	315,968	442,772

5. Income tax

(a) Income tax expense (credit)

	2019	2018
	$	$
Tax expense attributable to profit is made up of:		
- Current income tax - Singapore	**-**	-
- Deferred income tax	**-**	4,136
	-	1,532
Overprovision in preceding financial years:		
- Current income tax - Singapore	**-**	(7,018)
	-	(2,882)

The tax benefit on loss before tax differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2019	2018
	$	$
Loss before income tax	**(146,882)**	(394,893)
Tax benefit calculated at the rate of 17% (2018: 17%)	**(24,970)**	(67,132)
Effects of:		
- Expenses not deductible for tax	**-**	-
- Utilisation of tax losses carried	**-**	-
- Over provision in preceding financial years	**-**	(7,018)
- Deferred tax benefit not	**24,970**	67,083
- Others	**-**	4,185
	-	(2,882)

5. Income tax (continued)

(b) Movements in current income tax (recoverable) liability

	2018	2018
	$	$
Beginning of financial year	**92**	(4,196)
Income tax received/(paid)	**(82)**	11,306
Overprovision in preceding financial years	**-**	(7,018)
End of financial year	**10**	92

(c) Deferred income tax asset

The movements in the deferred income tax account are as follows:

	Provisions	
	2019	2018
	$	$
Beginning of financial year	**-**	4,136
Charge to profit or loss	**-**	(4,136)
End of financial year	**-**	-

6. Trade and other receivables

	2019	2018
	$	$
Trade receivables		
- Third parties	**113,109**	233,916
- Holding corporation	-	46,338
- Related corporation	**451,115**	96,884
Less: Impairment loss on trade receivables	**(115,447)**	(78,180)
Net trade receivables	**448,776**	298,958
Other receivables	**397**	2,805
	449,173	301,763

The following table details the risk profile of trade receivables from contracts with customers based on the Company's provision matrix.

	Not past due	1 to 180 days	180 to 270 days	> 270 days	Total
	$	$	$	$	$
Expected credit loss rate	0%	0%	75%	100%	
Estimated total gross carrying amount at default	-	87,052	20,554	100,031	207,637
Lifetime ECL	-	-	(15,416)	(100,031)	(115,447)
					92,190

7. Other current asset

	2019	2018
	$	$
Refundable deposits	**5,244**	5,244
Prepayments	**3,659**	3,772
Advances to employees	**223**	-
	9,126	9,016

At the balance sheet date, the carrying amounts of other current assets, excluding prepayments.

8. Plant and equipment

	Office equipment and furniture	Computers and software	Total
	$	$	$
2019			
Cost			
Beginning and end of financial year	4,411	6,223	10,634
Accumulated depreciation			
Beginning of financial year	4,411	5,851	10,262
Depreciation charge	-	372	372
End of financial year	4,411	6,223	10,634
Net book value			
End of financial year	**-**	**-**	**-**
2018			
Cost			
Beginning and end of financial year	4,411	6,223	10,634
Accumulated depreciation			
Beginning of financial year	4,411	4,836	9,247
Depreciation charge	-	1,015	1,015
End of financial year	4,411	5,851	10,262
Net book value			
End of financial year	**-**	**372**	**372**

9. Investment in a subsidiary

	2019 **$**	2018 $
Unquoted equity shares, at cost	**75,000**	75,000
Less: provision for impairment	**(75,000)**	-
Net investment cost	**-**	75,000

Details of the Company's subsidiary as at the end of the reporting period are as follows:

Name of subsidiary	**Principal activities**	**Place of incorporation and operation**	**Proportion of ownership interest and voting power Held 2018 %**
Zensar Info Technologies (Singapore) Pte. Ltd.	Development of software and programming activities	Singapore	100

10. Trade and other payables

	2019 **$**	2018 $
Trade payables		
- third parties	**184**	30,767
- holding corporation	**125,436**	65,191
	125,620	95,958
Accrued operating expenses	**32,888**	44,062
Provision for sales incentive commission	**-**	7,149
Withholding & other tax payable	**20,366**	10,740
Deferred income	**3,217**	20,068
Sundry payables	**2,909**	2,900
	59,380	84,919
	185,000	180,877

At the balance sheet date, the carrying amounts of trade and other payables approximate their fair values.

11. Immediate and ultimate holding corporation

The Company is a wholly owned subsidiary of Zensar Technologies Limited, a company incorporated in India, which is also the Company's ultimate holding corporation.

12. Share capital

The Company's share capital comprises fully paid-up $300,000 (2018: $300,000) ordinary shares amounting to a total of $300,000 (2018: $300,000).

Fully paid-up ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

13. Financial risk management

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk.

a. Market risk

(i) Currency risk

The Company's foreign exchange risk is limited to certain transactions transacted in United States Dollar. Considering the volume and number of transactions involved, the management does not feel the need to engage in hedging and other measures.

No sensitivity analysis is performed on the currency risk as the impact is insignificant.

(ii) Interest rate risk

The Company has insignificant financial assets or liabilities that are exposed to interest rate risk.

No sensitivity analysis is performed on the interest rate risk as the impact is insignificant.

b. Credit risk

The Company has policies in place to ensure that services are provided to customers with adequate financial standing and appropriate credit history. The Company's credit risk is concentrated with four customers (2017: four customers), where they contributed approximately 100% (2017: 88%) of total revenue for the year.

13. Financial risk management (continued)

(b) Credit risk (continued)

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instrument presented on the balance sheet. The Company's major classes of financial assets are cash and bank balances, trade receivable from third parties and expense reimbursement receivable from a subsidiary, advances to employees and refundable deposits.

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

2019

	Gross carrying amount	**Loss allowance**	**Net carrying amount**
	$	$	$
Trade receivables	207,637	(115,447)	92,190
Receivables from related company	356,586	-	356,586
Cash and bank balances	27,811	-	27,811
Deposits	5,244	-	5,244
		(115,447)	

(i) Financial assets that are past due and/or impaired

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

The carrying amount of trade receivables and investments individually determined to be impaired and the movement in the related allowance for impairment are as follows:

13. Financial risk management (continued)

(b) Credit risk (continued)

The movement in the credit loss allowance are as follows:

	2019
	$
At beginning of year	**78,180**
Loss allowance recognised in profit or loss during the year on:	
- Assets originated	**37,267**
Balance at end of year	**115,447**

Previous accounting policy for impairment of trade receivables

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	2018
	$
At beginning of year	**33,712**
Allowance made	**44,468**
Balance at end of year	**78,180**

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and available funding through an open committed credit line from its holding corporation to enable it to meet its operational requirements.

The table below analyses the maturing profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	2019	2018
	$	$
Less than one year		

Trade and other payables	**153,376**	150,069

13. Financial risk management (continued)

(d) Capital management

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing equity instruments when necessary.

The Board of Directors monitors its capital based on total equity. The Company is not subject to any externally imposed capital requirements.
The Company's overall strategy remains unchanged from 2017.

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2019	2018
	$	$
Financial assets at amortised cost	**482,451**	549,807
Financial liabilities at amortised cost	**153,376**	150,069

14. Related party transactions

The following transactions took place between the Company and related parties at terms agreed by the parties concerned:

	2019	2018
	$	$
Expenses recharged by holding corporation	**26,675**	24,661
Corporate overhead expense charged by holding corporation	**11,100**	19,100
Procurement charges by holding corporation	**52,268**	596,134
Procurement charges to holding corporation	**306,212**	100,921

15. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Zensar Technologies (Singapore) Pte. Ltd. On_________.