

ZENSAR INFO
TECHNOLOGIES
(SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

(Registration Number: 201725277C)

ANNUAL REPORT

For the financial year from 1 April 2018 to 31 March 2019

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.
(Incorporated in Singapore)

ANNUAL REPORT

For the financial year from 1 April 2018 to 31 March 2019

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ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT

The Directors present their statement to the shareholder together with the audited financial statements of the Company for the financial year from 1 April 2018 to 31 March 2019.

In the opinion of the directors,

- (a) the financial statements set out on pages 6 to 21 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 from 1 April 2018 to 31 March 2019; 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:

Prameela Kalive
Rajiv Mundhra
Lim Choon Seng

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period 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 period had any interest in the shares in, or debentures of, the Company and its related corporations.

Share options

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

No shares were 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 period.

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT

Independent auditor

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

On behalf of the directors

Director

Director

[Date]

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME***Year ended 31 March 2019*

	Note	Financial year from 1 April 2018 to 31 March 2019	Financial period from 5 September 2017 (date of incorporation) to 31 March 2018
		\$	\$
Expenses		-	-
- Finance Cost		(1,210)	(300)
- Others		(51,899)	(7,733)
Loss before income tax		(53,109)	(8,033)
Income tax	3	-	-
Net loss		(53,109)	(8,033)
Total comprehensive loss		(53,109)	(8,033)

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

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.**BALANCE SHEET***As at 31 March 2019*

	Note	2019 \$	2018 \$
<u>ASSETS</u>			
Current assets			
Cash and bank balances	4	23,460	74,700
Other current assets	5	8,313	8,283
Total current assets		31,773	82,983
Non-current assets			
Refundable deposit		8,000	8,000
Loans due from immediate holding company		50,000	-
Total non-current assets		58,000	8,000
Total assets		89,773	90,983
<u>LIABILITIES</u>			
Current liabilities			
Amount due to immediate holding corporation	6	50,692	24,016
Trade and other payables	7	25,223	-
Total current liabilities		75,915	24,016
NET ASSETS		13,858	66,967
<u>EQUITY</u>			
Share capital	8	75,000	75,000
Accumulated losses		(61,142)	(8,033)
Net equity		13,858	66,967

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

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.**STATEMENT OF CHANGES IN EQUITY***Year ended 31 March 2019*

	<u>Share capital</u> \$	<u>Accumulated losses</u> \$	<u>Total</u> \$
2019			
Beginning of financial year	75,000	(8,033)	66,967
Total comprehensive loss	-	(53,109)	(53,109)
End of financial year	75,000	(61,142)	13,858
<hr/>			
2018			
Issue of ordinary share at 5 September 2017 (date of incorporation)	1	-	1
Issue of ordinary shares	74,999	-	74,999
Total comprehensive loss	-	(8,033)	(8,033)
End of financial period	75,000	(8,033)	66,967

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

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial period from 1 April 2018 to 31 March 2019*

	Financial year from 1 April 2018 to 31 March 2019	Financial period from 5 September 2017 (date of incorporation) to 31 March 2018
	\$	\$
Cash flows from operating activities		
Loss before income tax, representing operating cash flows before movement in working capital	(53,109)	(8,033)
Changes in working capital:		
Other current assets and refundable deposit	(30)	(16,283)
Trade and other payables	51,899	24,016
Net cash used in operating activities	(1,240)	(300)
Cash flows used in investing activity		
Loan given to subsidiary, representing net cash used in investing activity	(50,000)	-
Cash flows from financing activity		
Proceeds from issue of ordinary shares, representing net cash generated from financing activity	-	75,000
Net (decrease) increase in cash and bank balances	(51,240)	74,700
Cash and bank balances at beginning of the year/ date of incorporation	74,700	-
Cash and bank balances at end of the financial year/ period	23,460	74,700

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

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

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 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.

Management intends to liquidate the Company. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the Company's assets to net realisable value. The financial statements do not include any provision for the future costs of terminating the business of the Company except to the extent that such costs were committed at the end of the reporting period.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. Significant accounting policies (continued)

2.2 Adoption of New and Revised Standards (continued)

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. There are no restatements required to the comparative information arising from the adoption of FRS 109.

The significant accounting policies for financial instruments under FRS 109 is as disclosed in Note 2.5 and Note 2.6.

(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.

(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.

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. Significant accounting policies (continued)

2.3 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.

2.4 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.

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.

2.5 Financial Assets (before 1 April 2018)

Loans and receivables

Bank balances and other current assets are initially measured at fair value plus drawdown costs and are subsequently measured at amortised cost using the effective interest method less impairment losses.

The Company assesses for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. 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 based as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. Significant accounting policies (continued)

2.5 Financial Assets (from 1 April 2018)

Classification of financial assets

Debt instruments mainly comprise cash on hand that meet the following conditions and 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 effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

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. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

For financial instruments, the company recognises 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-month 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. Significant accounting policies (continued)

2.5 Financial Assets (continued)

Derecognition of financial assets

The Company derecognises a financial asset when

- the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition under FRS 109;
- retains contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the entity has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to extent of continuing involvement in the financial asset.

2.6 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include other payables, loans and borrowings.

Subsequent Measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. Significant accounting policies (continued)

2.6 Financial Liabilities (continued)

Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in FRS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as fair value through profit and loss.

Other payables

These amounts represent liabilities for 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.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.7 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.

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

2. Significant accounting policies (continued)

2.7 Operating leases (continued)

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.

2.8 Fair value estimation of financial assets and liabilities

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

2.9 Share capital

Ordinary shares are classified as equity.

2.10 Interest Income

Interest income from debt instruments is recognised using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

3. Income tax

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

	Financial year from 1 April 2018 to 31 March 2019	Financial period from 5 September 2017 (date of incorporatio n) to 31 March 2018
	\$	\$
Loss before income tax	(53,109)	(8,033)
Tax benefit calculated at the rate of 17%	(9,029)	(1,366)
Effect of tax losses not available to be carried forward	9,029	1,366
	-	-

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***Year ended 31 March 2019*

4. Cash and bank balances

	2019	2018
	\$	\$
Cash at bank	23,460	74,700

At the balance sheet date, the carrying amounts of cash and bank balances approximate their fair values and are denominated in Singapore dollar.

5. Other current assets

	2019	2018
	\$	\$
Refundable deposit	6,200	6,200
Interest Receivable on Loan	30	-
Prepayments	2,083	2,083
	8,313	8,283

At the balance sheet date, the carrying amounts of other current assets approximate their fair values and are denominated in Singapore dollar.

For purpose of impairment assessment, other receivables are considered to have low credit risk as there have been no instances of past defaults and there has been no significant increase in the risk of default on these receivables since initial recognition. Accordingly, for the purpose of impairment assessment for the receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the financial position of each debtor, adjusted for any factors that may be specific to the entity and general economic conditions of the industry or country in which the debtor operates, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the above receivables is subject to immaterial credit loss.

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

6. Amount due to immediate holding corporation

The non-trade balance due to the holding corporation is unsecured, interest-free and repayable on demand.

At the balance sheet date, the carrying amount of amount due to immediate holding corporation approximate their fair values and are denominated in Singapore dollar.

7. Trade and other payables

	2019	2018
	\$	\$
Trade payables to third parties	5,000	-
Accrued operating expenses	20,223	-
	<u>25, 223</u>	<u>8,283</u>

8. Immediate and ultimate holding corporation

The Company is a wholly owned subsidiary of Zensar Singapore Technologies Pte. Ltd., a company incorporated in Singapore. The Company's ultimate holding corporation is Zensar Technologies Limited, a company incorporated in India.

9. Share capital

The Company's share capital comprises fully paid-up 75,000 ordinary shares with no par value, amounting to a total of \$75,000.

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.

10. Operating lease commitment

The Company leases premise under non-cancellable operating lease agreement. The lease has varying terms and renewal rights.

The future minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities are as follows:

	2019	2018
	\$	\$
Not later than one year	<u>-</u>	<u>27,378</u>

NOTES TO THE FINANCIAL STATEMENTS*Year ended 31 March 2019*

11. 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 does not have significant exposure to currency risk.

(ii) *Interest rate risk*

The Company does not have significant exposure to interest rate risk.

(b) Credit risk

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 has adopted the following credit policy under ECL model:

Days outstanding from Invoice date	Loss allowance
Up to 180 days	-
181-270 days	75%
>270 days	100%

However, no loss amount is provided for intracompany receivables as management assesses the credit risk is low.

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

2019

Financial assets	Gross carrying amount	Loss allowance	Net carrying amount
Loan to related company	50,000	-	50,000
Balance at bank	23,460	-	23,460
Interest accrued on loan to related party	30	-	30
Deposits	14,200	-	14,200

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***Year ended 31 March 2019*

(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		
Amount due to immediate holding corporation	50,692	24,016

(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 1 April 2018.

(e) Financial instruments by category

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

	2019	2018
	\$	\$
Financial assets at amortised cost	87,690	88,900
Financial liabilities at amortised cost	75,915	24,016

ZENSAR INFO TECHNOLOGIES (SINGAPORE) PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2019

12. 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 immediate holding corporation	26,676	24,016
Unsecured loan to immediate holding corporation	50,000	-

13. New accounting standards and FRS interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2018 and which the Company has not early adopted:

- **FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)**

FRS 116 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Company's operating leases. As at the reporting date, the Company has no lease commitments as disclosed in Note 9 to the financial statements.

14. Comparatives figures

The financial statements for 2019 cover the financial year from 1 April 2018 to 31 March 2019 with comparatives covering the financial period from 5 September 2017 (date of incorporation) to 31 March 2018.

15. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Zensar Info Technologies (Singapore) Pte. Ltd. on ____ June 2019.
