HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

CORPORATE INFORMATION
(at date of this report)

Shareholders	:	HCL Bermuda Limited HCL Technologies Limited
Directors	:	Sundaram Sridharan Ramanathan Srinivasan Subramanian Gopalakrishnan
Secretary	:	Sng Gek Hiah
Auditors	:	J K Medora & Co LLP
Registered Office and Place of Business	:	8 Shenton Way #33-03 AXA Tower Singapore 068811

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HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors submit their statement to the shareholders 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 of the Company as set out on pages 6 to 43 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 ended on that date; 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.

1) DIRECTORS OF THE COMPANY

The directors of the Company in office at the date of this statement are as follows:-

SUNDARAM SRIDHARAN
RAMANATHAN SRINIVASAN
SUBRAMANIAN GOPALAKRISHNAN

2) 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 object 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.

3) DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50, the directors holding office at the end of the financial year had interests in the shares or debentures of the Company and its related corporations as detailed below:-

	Deemed interest Number of ordinary shares	
	As at 01.04.2018	As at 31.03.2019
Ultimate Holding Company HCL Technologies Ltd		
Sundaram Sridharan	12,104	12,104

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

DIRECTORS' STATEMENT

4) **SHARE OPTIONS**

During the financial year, no share options were available or exercisable.

5) **INDEPENDENT AUDITORS**

The independent auditors, J K Medora & Co LLP, have expressed their willingness to accept re-appointment.

On behalf of the Directors,

....
SUBRAMANIAN GOPALAKRISHNAN
DIRECTOR

....
SUNDARAM SRIDHARAN
DIRECTOR

2 7 JUN 2019

NDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HCL SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL Singapore Pte. Ltd. (the Company), set out on pages 6 to 43, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HCL SINGAPORE PTE. LTD.
(continued)

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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of 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 auditors' 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 auditors' 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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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HCL SINGAPORE PTE. LTD.
(continued)

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.

J K Medora & Co LLP
Public Accountants and Chartered Accountants Singapore

27 JUN 2019

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HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2019

	Note	Mar-19 S$	Mar-18 S$
Continuing Operations			
Revenue	4	191,190,013	194,748,541
Cost of sales	5	(162,291,865)	(167,369,173)
Gross profit		28,898,148	27,379,368
Other income	6	1,730,177	1,364,946
Other gains/ (losses), net	7	561,250	(2,269,152)
Other item of expenses			
Marketing and distribution costs		(8,852,026)	(7,742,823)
Administrative expenses		(8,610,015)	(7,932,784)
	5	(17,462,041)	(15,675,607)
Profit before tax		13,727,534	10,799,555
Income tax expense	9	(2,335,203)	(1,925,592)
Profit from continuing operations		11,392,331	8,873,963
Other comprehensive income		-	-
Total comprehensive income for the year		11,392,331	8,873,963

The annexed notes form an integral part of these financial statements

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 March 2019

	Note	Mar-19 S$	Mar-18 S$
Assets			
Current assets			
Cash and cash equivalents	11	15,812,611	4,333,340
Trade receivables	12	50,510,084	48,550,521
Other receivables	13	35,067,670	43,908,216
Other financial assets	14	587,259	582,043
Contract assets	15	3,212,803	4,005,292
Other non-financial assets (prepayments)	16	1,925,796	2,074,447
Total current asset		107,116,223	103,453,859
Non-current assets			
Plant and equipment	17	5,061,502	4,683,874
Financial assets, at FVPL	18	12,664	12,664
Contract assets	15	590,660	412,933
Investment in a subsidiary	19	-	-
Loan receivables - redeemable preference share	20	-	-
Total non-current asset		5,664,826	5,109,471
Total assets		112,781,049	108,563,330
LIABILITIES AND EQUITY			
Liabilities			
Current liabilities			
Income tax liabilities	9	2,227,562	2,198,989
Trade payables	21	36,094,251	34,042,459
Other payables	22	6,028,505	8,473,352
Other financial Liabilites	23	4,778,484	4,114,961
Employee encashment compensated absence	24	2,544,463	3,074,236
Total current liabilities		51,673,265	51,903,997
Non-current liabilities			
Deferred income tax liabilities	10	855,560	793,239
Trade payables	21	-	210,382
Employee encashment compensated absence	24	3,961,555	4,245,374
Total non-current liabilities		4,817,115	5,248,995
Total liabilities		56,490,380	57,152,992
Equity			
Capital and reserves attributables to owners of the parent			
Share capital	25	2,035,000	2,035,000
Retained earnings		54,255,669	49,375,338
Total equity		56,290,669	51,410,338
Total equity and liabilities		112,781,049	108,563,330

The annexed notes form an integral part of these financial statements

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2019

	Share Capital S$	Retained Earnings S$	Total S$
Balance as at 1 April 2017	2,035,000	47,115,125	49,150,125
Profit for the year	-	8,873,963	8,873,963
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	8,873,963	8,873,963
Dividend paid (Note 27)	-	(6,613,750)	(6,613,750)
Balance as at 31 March 2018	2,035,000	49,375,338	51,410,338
Profit for the year	-	11,392,331	11,392,331
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	11,392,331	11,392,331
Dividend paid (Note 27)	-	(6,512,000)	(6,512,000)
Balance as at 31 March 2019	2,035,000	54,255,669	56,290,669

The annexed notes form an integral part of these financial statements

HCL SINGAPORE PTE. LTD.
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2019

	Mar-19 S$	Mar-18 S$
Cash flows from operating activities		
Profit before tax	13,727,534	10,799,555
Adjustments for:-		
Depreciation on plant and equipment	2,317,826	2,062,120
Interest income	(1,120,152)	(1,140,619)
Allowance for impairment loss	404,341	(474,444)
Loss on disposal of plant and equipment	2,022	18,536
Assets written off	1,826	-
unrealised translation loss	702,314	1,568,590
Operating cash flows before changes in working capital	16,035,711	12,833,738
Changes in working capital:-		
Contract cost deferred	614,762	229,220
Trade, other receivables and other assets	5,917,764	(15,987,145)
Trade, other payables and Other liabilities	(753,506)	7,907,906
Cash generated from operations	21,814,731	4,983,719
Tax paid, net	(2,244,310)	(4,670,815)
Net cash generated from operating activities	19,570,421	312,904
Cash Flows from investing activities		
Purchase of plant and equipment	(2,699,302)	(1,242,961)
Interest received	1,120,152	1,140,619
Net cash used in investing activities	(1,579,150)	(102,342)
Cash Flows from financing activities		
Dividend paid	(6,512,000)	(6,613,750)
Net cash used in financing activities	(6,512,000)	(6,613,750)
Net increase / (decrease) in cash and cash equivalents	11,479,272	(6,403,188)
Cash and cash equivalents		
Beginning of the financial year	4,333,340	10,736,528
End of the financial year	15,812,611	4,333,340

Note:- Purchase of plant and equipment was made using cash and cash equivalents.

The annexed notes form an integral part of these financial statements

1. DOMICILE AND PRINCIPAL ACTIVITIES

The Company (Company Registration No: 198000284M) is a private company incorporated and domiciled in Singapore with its registered office and principal place of business at 8 Shenton Way, #33-03 AXA Tower, Singapore 068811.

The principal activities of the Company comprise of sales of hardware and software licences, software development, installation implementation, maintenance of hardware and software and providing information technology services.

There have been no significant changes in the nature of these activities during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("SFRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretation and amendments to published standards effective in 2018

On 1 April 2018, the Company adopted the new or amended SFRS and interpretations of FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS and INT FRS.

The adoption of these new or amended SFRS and INT FRS did not result in material changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

New or revised accounting standards and FRS interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2019. Management has not yet completed its review of these accounting standards to establish the impact on the Company's financial statements except for the adoption of SFRS 109 Financial Instruments and SFRS 115 Revenue from contracts with customers described under Note 2.2.

2.2 Adoption of new and amended standards and interpretations

<u>SFRS 109 Financial Instruments</u>

SFRS 109 replaces SFRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied SFRS 109 retrospectively, with an initial application date of 1 April 2018. The Company has not restated comparative information which continues to be reported under SFRS 39 and the disclosure requirements of SFRS 107 Financial Instruments: Disclosures relating to items within the scope of SFRS 39.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

SFRS 109 Financial Instruments (continued)

The nature of the adjustments is described below:

(a) **Classification and measurement**

Under SFRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification 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.

The assessment of the Company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of SFRS 109 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under SFRS 39. The following are the changes in the classification and measurement of the Company's financial assets:

- Trade and other receivables and loan to the related parties classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These were classified and measured as debt instruments at amortised cost beginning 1 April 2018.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of SFRS 109, the Company had the following required or elected reclassifications as at 1 April 2018:

		SFRS 109 measurement category	
SFRS 39 measurement category	S$	FVPL S$	Amortised Cost S$
Loans and receivables			
Trade receivables	48,550,521	-	48,550,521
Other receivables	43,908,216	-	43,908,216
		-	92,458,737

(b) **Impairment**

The adoption of SFRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing SFRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. SFRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

SFRS 115 Revenue from Contracts with Customers

The Company has applied SFRS 115 Revenue from Contracts with Customers with a date of initial application of 1 April 2018. As a result, the Company's accounting policy for revenue recognition remains unchanged as detailed below.

(a) Sale of equipment

The Company previously recognised revenue upon the transfer of control of the sale of equipment to the customer, usually on delivery of goods. 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. Under SFRS115, the sale is completed at a point in time when the customer obtains control and benefit over the asset. This generally coincides with delivery and acceptance. The accounting policy of recognising the full sales proceeds therefore remain unchanged on the adoption of SFRS115.

(b) Service revenue – Development, installation and implementation of software

Revenue from rendering of services is recognised as the services are rendered. Where services are provided in stages, revenue is recognised using the percentage-of completion method based on the actual service provided as a proportion of the total services to be performed. Under SFRS115, the service revenue is recognised when the services are rendered and when the customer obtains control over time. The accounting policy of recognising the full sales proceeds therefore remain unchanged on the adoption of SFRS115.

(c) Time-and-material contracts and recurring fixed billing contracts

Revenue with respect to time-and-material contracts and recurring fixed billing contracts are recognised as the related services are performed. Under SFRS115, the service revenue is recognised when the services are rendered and when the customer obtains control over time. The accounting policy of recognising the full sales proceeds therefore remain unchanged on the adoption of SFRS115.

2.3 Group Accounting

These financial statements are the separate financial statements of the Company. The Company is exempted from the requirement to prepare consolidated financial statements as the Company is a wholly owned subsidiary of the ultimate holding company in India, which produces consolidated financial statements available for public use.

The registered office of the ultimate holding company, HCL Technologies Limited, is at 806 Siddharth, 96, Nehru Place, New Delhi – 110019, India.

The basis on which the subsidiary is accounted for is disclosed in Note 2.4 to the financial statements.

2.4 Investment in a Subsidiary

Investment in a subsidiary is carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Holding Companies and Related Parties

Holding Company

The immediate holding company is HCL Bermuda Limited, a company incorporated in Bermuda.

The ultimate holding company is HCL Technologies Limited, a company incorporated in India and listed on NSE (National Stock Exchange, Bombay) and BSE (Bombay Stock Exchange).

Related Parties

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 a 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 of joint venture of the other entity (or an associate or joint venture of a member of a group 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).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Revenue Recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 April 2018.

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

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

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

(a) Sale of equipment

The Company previously recgonised revenue upon the transfer of control of the sale of equipment to the customer, usually on delivery of goods. 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. Under SFRS115, the sale is completed at a point in time when the customer obtains control and benefit over the asset. This generally coincides with delivery and acceptance. The accounting policy of recognising the full sales proceeds therefore remain unchanged on the adoption of SFRS115.

(b) Service revenue – Development, installation and implementation of software

Revenue from rendering of services is recognised when the services are rendered. Where services are provided in stages, revenue is recognised using the percentage-of completion method based on the actual service provided as a proportion of the total services to be performed. Under SFRS115, the service revenue is recognised when the services are rendered and when the customer obtains control over time. The accounting policy of recognising the full sales proceeds therefore remain unchanged on the adoption of SFRS115.

(c) Time-and-material contracts and recurring fixed billing contracts

Revenue with respect to time-and-material contracts and recurring fixed billing contracts are recognised as the related services are performed. Under SFRS115, the service revenue is recognised when the services are rendered and when the customer obtains control over time. The accounting policy of recognising the full sales proceeds therefore remain unchanged on the adoption of SFRS115.

(d) Interest income – Loans to related parties

Interest is recognised on an accrual basis using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Contracts assets and liabilities

Presentation of contract assets and contract liabilities

The company has also changed the presentation of certain amounts in the balance sheet as at 31 March 2018 on adopting SFRS(I) 15:

(i) Contract assets relating to project contracts were previously presented under "Unbilled receivables" of S$ 12,267,594 under SFRS.

(ii) Other payables related to expected volume discounts of S$ 19,279 were previously presented as "Trade receivables" under SFRS.

(iii) Contract liabilities were previously presented as "Trade payables" of S$ 3,563,438.

2.8 Plant and equipment

(a) Measurement

(i) Plant and equipment

All items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are 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. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserves.

(b) Depreciation

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

	No. of Years
Computer equipment	4-5 Years
Computer software	3 Years
Furniture and fittings	5-7 Years
Office equipment and air-conditioners	5-7 Years

No depreciation is provided for assets under construction.

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

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.8 **Plant and equipment** (continued)

(c) **Subsequent expenditure**

Subsequent expenditure relating to property, 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 entity and the cost of the item can be measured reliably. All repair and maintenance expenses are recognised in profit or loss when incurred.

(d) **Disposal**

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.9 **Financial Instrument**

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

(a) **Financial assets**

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial Instruments (continued)

(a) Financial assets (continued)

Subsequent measurement (continued)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 had been recognised in other comprehensive income for debt instruments 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 FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of financial assets

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

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

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

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

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.11 Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value and subsequently carried at amortised costs, using the effective interest method.

2.12 Provisions

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

Provisions are reviewed at each reporting date 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 in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of non-financial assets
Plant and equipment
Investment in a subsidiary

These assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generated units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) 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, unless the asset is carried at revalued amount, in which case such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Plant and equipment" for the treatment of a revaluation decrease.

An impairment loss for an asset 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. 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

2.14 Income Taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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 and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

2.14 Income Taxes (continued)

The Company accounts for investment tax credits (for example, productivity and innovation credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.15 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts, where applicable. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, where applicable, assessments is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.16 Currency Translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements of the Company are presented in Singapore Dollar, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange 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 reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains / losses – net".

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.17 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(i) Short-term employee benefits

These include wages, salaries, social security contributions, paid annual leave, paid sick leave, profit sharing, bonuses (if paid within twelve months of the end of the financial year) and other non-monetary benefits such as medical care, housing, cars and free or subsidised goods or services.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee Compensation (continued)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(iii) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specific portion of the unutilised accumulated compensated absences and utilised it in future periods or received cash at retirement or termination of employment. The expected cost of accumulated compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognised in the statement of profit and loss in the year in which the absences occur. Actuarial gains / losses are immediately taken to the statement or profit and loss are not deferred.

(iv) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following date: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after reporting date are discounted at present value.

2.18 Operating Lease

(a) <u>When the Company is the lessee</u>

The Company leases office under operating lease from non-related parties.

(i) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as 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.

Contingent rents are recognised as an expense in profit or loss when incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Operating Lease (continued)

(b) When the Company is the lessor

The Company leases its equipment under operating leases to non-related parties.

(a) Lessor – Operating leases

Leases of equipment where the Company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2.19 Bank Guarantees

The Company has issued various performance bank guarantees to third parties. These guarantees are performance guarantee contracts as it requires the Company to reimburse the bank if these bank guarantees are not honored.

A performance guarantee contract is initially recognised at its fair value plus transaction costs, in the Company's statement of financial position, if material.

Performance guarantee contract, provided that the cost is material, is subsequently amortised to the profit or loss over the period of the guarantee unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount.

2.20 Loan Receivable – Redeemable Preference Shares

Preference shares which are mandatorily redeemable on a specific date by the issuer of the preference shares are classified as assets by the holder of the preference shares. The dividends on these preference shares are recognised as finance income by the holder of the preference shares.

2.21 Dividends

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

2.22 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related cost which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.25 Fair Value Estimation of Financial Assets and Liabilities

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment, on a monthly basis. Significant financial difficulties to the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management has made judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management has made judgements as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience or assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(b) Service revenue

The Company uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that affect the stage of completion and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

3.1 Critical accounting estimates and assumptions (continued)

(c) Employee encashment of compensated absence

The present value of the accrual for compensated absence depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for compensated absence include the discount rate. Any changes in assumptions will impact the carrying amount of compensated absence obligations.

The Company determines the appropriate discount rate at the end of each period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the compensated absence obligations. In determining the appropriate discount rate, the Company considers the interest rates of high quality fixed interest bonds that are denominated in the currency in which the obligations will be paid, and that have terms to maturity approximating the terms of the related compensated absence liability.

Other key assumptions for compensated obligations are based in part on current market conditions. Additional information is disclosed in Note 24.

3.2 Critical judgements in applying the entity's accounting policies

There were no significant areas which required critical judgements in applying the entity's accounting policies, other than those already disclosed in these financial statements.

	Mar-19 S$	Mar-18 S$

4 REVENUE

(a) Disaggregation of revenue

The company derives revenue from the transfer of goods and services over time and at a point in time in the following type of goods and services:

	Mar-19 S$	Mar-18 S$
Type of good or service		
(a) Sale of equipment (At a point in time)	12,183,341	6,292,144
(b) Services revenue (Over time):-		
- Development, installation and implementation of software	64,243,007	75,100,027
- Time and material	54,210,149	44,115,530
- Recurring fixed billing	60,553,516	69,240,840
	191,190,013	194,748,541
Timing of transfer of good or service		
At a point in time	12,183,341	6,292,144
Over time	179,006,672	188,456,397
	191,190,013	194,748,541

(b) Contract assets and liabilities

	Mar-19 S$	Mar-18 S$
Contract assets		
Service revenue	1,369,981	5,099,678
Less: loss allowance	-	-
Total contract assets	1,369,981	5,099,678
Contract liabilities		
Service revenue	3,470,633	3,563,438
Total contract liabilities	3,470,633	3,563,438

Contract assets : A contract asset is a right to consideration that is conditional upon factors other than the passage of time. Contract assets are recognized where there is excess of revenue over the billings. Revenue recognized but not billed to customers is classified either as contract assets in our balance sheet. Contract assets primarily relate to unbilled amounts on fixed price contracts using the cost to cost method of revenue recognition. Unbilled receivable represents contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). (Refer to Note 12 Unbilled receivables)

Contract liablities : A contract liability arises when there is excess billing over the revenue recognised. (Refer to Note 21 Advance billings)

Particulars	Contract liabilities
Balance as at 1 April 2018	3,563,438
Additional amounts billed but not recognized as revenue	2,701,340
Deduction on account of revenues recognized during the year	(2,794,145)
Balance as at 31 March 2019	3,470,633

		Mar-19 S$	Mar-18 S$
5 EXPENSES BY NATURE			
Purchase of finished goods and services		92,425,526	93,150,362
Changes in contract costs deferred		614,761	229,220
Depreciation of plant and equipment			
- Included in "Administrative expenses"	17	2,317,826	2,062,120
Employee benefits expense	8	75,125,843	78,444,132
Advertising and business promotion expenses		414,424	1,061,091
Rental on operating leases		1,100,525	1,099,229
Allowance for impairment of trade debts			
- included in "marketing and distribution expenses"			
charged / (written back), net	12 (iii)	404,341	(474,444)
Transportation expenses		383,470	467,827
Legal and professional fees		883,184	516,370
Communications		2,608,949	3,094,437
Repairs and maintenance		499,783	497,747
Insurance		168,300	199,585
Interest Expenses		120,169	18,671
Travelling Expenses		2,103,197	1,490,377
Bank Charges		215,989	373,382
Postage and Courier		34,619	42,062
Rates & taxes		(395,171)	(141,959)
Utilities		562,928	576,022
Others*		165,243	338,549
Total cost of sales, marketing and distribution costs and administrative expenses		179,753,906	183,044,780

*Others comprises the aggregate of items which are individually immaterial.

		Mar-19 S$	Mar-18 S$
6 OTHER INCOME			
Interest Income - loans to related parties		1,120,152	1,140,619
Other Income		509,129	224,327
Provision written back- Interest on extended vendor credit		100,896	-
		1,730,177	1,364,946

	Mar-19	Mar-18
	S$	S$
7 OTHER GAINS / (LOSSES), NET		
Loss on disposal of plant and equipment	(2,021)	(18,218)
Foreign currency exchange gain / (loss), net	563,271	(2,250,934)
	561,250	(2,269,152)
8 EMPLOYEE BENEFITS EXPENSE		
(a) Key Management Personnel		
(i) Directors		
Short-term employee benefits - directors of the Company (This include employers' contribution to defined contribution plans of Nil (2018: S$ 12,931)	232,742	240,901
(b) Employees:		
Short-term employee benefits	71,740,771	75,443,142
Employer's contribution to defined contribution plans including Central Provident Fund	3,152,330	2,760,089
	74,893,101	78,203,231
(c) Total Employee Benefits Expense	75,125,843	78,444,132

(i) The key management personnel comprises directors only, whose short-term employee benefits are disclosed above.

(ii) Employee benefits expense includes car allowance expense of S$ 4,800 (2018: S$4,800).

	Mar-19 S$	Mar-18 S$

9 INCOME TAXES

(a) Income tax expense

Tax expense attributable to profit is made up of:-

	Mar-19 S$	Mar-18 S$
Current income tax-for the period (Note 9(b))	2,310,732	2,132,571
Deferred income tax (Note 10(a)) :		
Movement in taxable temporary differences	62,321	(139,849)
	2,373,053	1,992,722
(Over) provision of income tax in prior years	(37,850)	(67,130)
Per Statement of Comprehensive Income	2,335,203	1,925,592

(b) The tax expense on the profit for the financial period differs from the tax expense that would arise by applying the Singapore standard income tax rate to profit before tax due to the following :-

	Mar-19 S$	Mar-18 S$
Profit before income tax	13,727,534	10,799,555
Tax at the applicable tax rate of 17% (2018:17%)	2,333,681	1,835,924
Tax effect of items that are not deductible / (allowable) in determining taxable profit:		
Allowable claims	(13,813)	(14,150)
Non-taxable items	(57,684)	-
Non-deductible items	590,140	415,930
Current year capital allowance and PIC enhanced claims	(459,426)	(209,057)
Tax exempt and rebate	(17,425)	(35,925)
Others	(2,420)	-
Current income tax - for the year	2,373,053	1,992,722
(Over) provision of income tax in prior years	(37,850)	(67,130)
Tax charge	2,335,203	1,925,592

(c) Movement in current income tax liabilties

	Mar-19 S$	Mar-18 S$
Balance, at beginning of financial year	2,198,989	4,804,363
Income tax paid	(2,244,309)	(4,670,815)
	(45,320)	133,548
Prior year's (over) provision	(37,850)	(67,130)
Current financial year's tax	2,310,732	2,132,571
Balance, at end of financial year	2,227,562	2,198,989

	Mar-19 S$	Mar-18 S$

10 DEFERRED TAXES

(a) Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 17% (2018: 17%).

The movement on the deferred income tax account is as follows:-

	Mar-19 S$	Mar-18 S$
Balance, at beginning of financial year	793,239	933,088
Tax charge / (write-back) to income statement	62,321	(139,849)
Balance, at end of financial year	855,560	793,239

(b) The movements in the deferred tax (assets) and liabilities (prior to offsetting of balances within the same jurisdiction) during the financial year are as follows:-

Deferred tax liabilities

2019	Accelerated Tax depreciation S$
Balance at beginning of financial year	793,239
Charged / (Written back) to Income Statement	62,321
Balance at end of financial year	855,560

2018	Accelerated Tax depreciation S$
Balance at beginning of financial year	933,088
Charged / (Written back) to Income Statement	(139,849)
Balance at end of financial year	793,239

(c) Deferred tax (assets) and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown in the statement of financial position as follows:-

	Mar-19	Mar-18
Deferred tax assets	-	-
Deferred tax liabilities	855,560	793,239
	855,560	793,239
Deferred tax liabilities to be settled after more than 12 months	855,560	793,239

	Mar-19 S$	Mar-18 S$
11 CASH AND CASH EQUIVALENTS		
Cash and bank balances	15,812,611	4,333,340
Cash and cash equivalents	15,812,611	4,333,340

(Included within cash and cash equivalents is an amount of S$ 11.6 million under a credit facility with bank. The facility has a right of set off against other positive cash balances. The facility attract interest of SDDRIT plus 0.15% and is repayable on demand.

12 TRADE RECEIVABLES

These include the following:-

	Mar-19 S$	Mar-18 S$
Trade receivables		
Trade receivables - third parties	35,157,539	28,008,912
Less: Allowance for impairment loss (Note 12(iii))	(1,311,613)	(907,272)
Trade receivables – third parties, net	33,845,926	27,101,640
Related parties (Note 12(i))	10,814,525	9,170,707
Unbilled receivables- third parties	5,838,885	12,278,174
- related parties (Note 12(i))	10,748	-
Total trade receivables	50,510,084	48,550,521
Add:		
Other receivables (Note 13)	35,067,670	43,908,216
Other financial assets (Note 14)	587,259	582,043
Cash and cash equivalents (Note 11)	15,812,611	4,333,340
Total loans and receivables	101,977,624	97,374,120

The trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(i) Ultimate holding company and related parties

These represent amounts due for sales made to the ultimate holding company and related parties. They are unsecured, interest-free and repayable under normal trading terms.

(ii) Receivables that are past due but not impaired

The Company has trade receivables that are past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the reporting date is as follows:-

	Mar-19 S$	Mar-18 S$
Trade receivables past due:-		
Less than 30 days	5,482,180	2,012,303
31 to 60 days	3,371,765	984,660
61 to 90 days	1,900,607	532,050
91 to 120 days	1,144,423	400,079
More than 120 days	1,368,935	2,442,697
	13,267,910	6,371,789

	Mar-19 S$	Mar-18 S$

12 TRADE RECEIVABLES (continued)

(iii) Receivables that are impaired

The carrying amount of trade receivables individually determined to be impaired at the reporting date and the movement of the allowance account used to record the impairment is as follows:-

Trade receivables - nominal amounts	1,311,613	907,272
Less: Allowance for impairment	(1,311,613)	(907,272)
	-	-

	Individual Impaired	
Movements during the financial year are as follows:-		
Balance at beginning of financial year	907,272	1,381,716
Addition during the year (Note 5)	404,341	954,642
Write back during the year (Note 5)	-	(1,429,086)
Balance at end of the financial year	1,311,613	907,272

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral of credit enhancements.

(iv) Analysis of trade receivables

The table below is an analysis of trade receivables as at the reporting date:

	Mar-19 S$	2018 S$
Not past due and not impaired	37,242,174	42,178,732
Past due but not impaired (ii)	13,267,910	6,371,789
	50,510,084	48,550,521
Impaired receivables- individually assessed, gross	1,311,613	907,272
Less: Allowance for impairment	(1,311,613)	(907,272)
	-	-
Total trade receivables, net	50,510,084	48,550,521

	Mar-19 S$	Mar-18 S$
13 OTHER RECEIVABLES		
Third parties:-		
- Staff advances (Note 13(i))	149,232	466,388
- Finance Lease Receivables (Note 13(iii))	4,003 979	2,268,275
	4,153,210	2,734,663
Related parties		
Short term loans (Related parties Note 13(ii))	29,729,985	39,896,280
Interest receivables	1,184,474	1,277,273
	30,914,459	41,173,553
Total other receivables	35,067,670	43,908,216

Other receivables have an average settlement term of six months.

(i) Staff advances
These are unsecured, non-interest bearing and repayable within the next twelve months.

(ii) Related Parties and Subsidiary - short term loans
This is unsecured, bearing London Interbank Offered Rate (LIBOR) plus + 100 basis points (BPS) (2018: (LIBOR) plus + 100 basis points (BPS)) rate of interest per annum and is repayable on demand.

(iii) Finance lease receivables
The Company leases various equipment and applicable software licenses for sublease, under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(a) The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:-

	Mar-19 S$	Mar-18 S$
Gross receivable due:		
-Not later than one year	2,240,665	953,972
-Later than one year but within five years	1,941,622	1,446,797
	4,182,287	2,400,769
Less: Unearned finance income	(178,308)	(132,494)
Net investment in finance lease	4,003,979	2,268,275

(b) The net investment in financial lease is analysed as follows:

	Mar-19 S$	Mar-18 S$
Not later than one year	2,169,606	904,981
Later than one year but not later than five years	1,834,373	1,363,294
	4,003,979	2,268,275

	Mar-19 S$	Mar-18 S$
14 OTHER FINANCIAL ASSETS		
Sundry deposits	587,259	582,043
	587,259	582,043
15 CONTRACT ASSETS		
Current	3,212,803	4,005,292
Non-current	590,660	412,933
Total	3,803,463	4,418,225

These consist of the cost of goods purchased and third party services engaged for use after the reporting date on specific projects.

	Mar-19 S$	Mar-18 S$
16 NON-FINANCIAL ASSETS (PREPAYMENTS)		
Operating Expenses	1,925,796	2,074,447
	1,925,796	2,074,447

17 PLANT AND EQUIPMENT

Mar-19	Computer Equipment S$	Computer Software S$	Furniture and Fittings S$	Office Equipment / Air-Conditioner S$	Total S$
COST					
Balance as at 1.4.2018	10,208,208	1,178,349	2,028,625	1,207,733	14,622,915
Additions	2,669,053	9,918	-	20,331	2,699,302
Disposal (Retirement)	(2,074,939)	(442,757)	(1,226,097)	(587,679)	(4,331,472)
Balance as at 31.03.2019	10,802,322	745,510	802,528	640,385	12,990,745
ACCUMULATED DEPRECIATION					
Balance as at 1.4.2018	6,219,282	909,379	1,851,261	959,119	9,939,041
Charged for the year	1,951,435	201,906	77,578	86,907	2,317,826
Disposal (Retirement)	(2,073,112)	(442,757)	(1,226,097)	(585,658)	(4,327,624)
Balance as at 31.03.2019	6,097,605	668,528	702,742	460,368	7,929,243
NET BOOK VALUE					
As at 31.03.2019	4,704,717	76,982	99,786	180,017	5,061,502
COST					
Balance as at 1.4.2017	10,337,004	837,851	2,028,625	1,159,733	14,363,213
Additions	854,463	340,498	-	48,000	1,242,961
Disposal (Retirement)	(983,259)	-	-	-	(983,259)
Balance as at 31.03.2018	10,208,208	1,178,349	2,028,625	1,207,733	14,622,915
ACCUMULATED DEPRECIATION					
Balance as at 1.4.2017	5,475,580	731,937	1,705,626	928,501	8,841,644
Charged for the year	1,708,425	177,442	145,635	30,618	2,062,120
Disposal (Retirement)	(964,723)	-	-	-	(964,723)
Balance as at 31.03.2018	6,219,282	909,379	1,851,261	959,119	9,939,041
Net book value					
As at 31.03.2018	3,988,926	268,970	177,364	248,614	4,683,874

	Mar-19 S$	Mar-18 S$
18 Financials assets at FVPL		
Balance at beginning of financial year	12,664	12,664
Addition	-	-
Balance at end of financial year at fair value	12,664	12,664

This represents a 1% investment in a related party (PT HCL Technologies, Indonesia).

19 INVESTMENT IN A SUBSIDIARY

	Mar-19 S$	Mar-18 S$
Unquoted shares, at cost:-		
Balance at begining of financial year	10,000	10,000
Allowance for impairment loss	(10,000)	(10,000)
Balance at end of financial year	-	-

(i) Details of the subsidiary are as follows:-

Name of Subsidiary	Principal Activity	Place of Business / Country of Incorporation	Class of Shares Held	Cost 2019 S$	Cost 2018 S$	Percentage of equity held and effective shareholding 2019 %	Percentage of equity held and effective shareholding 2018 %
Axon Solutions Singapore Pte Ltd	IT and hardware consultancy (including system consultancy	Singapore	Ordinary	10,000	10,000	100	100
Less:- Allowance for impairment loss				(10,000)	(10,000)		
Carry amount at end of the year				-	-		

Movement in allowance for impairment loss is as follows:-

	2019 S$	2018 S$
Beginning of the year	10,000	10,000
Addition	-	-
End of the year	10,000	10,000

The subsidiary is audited by CA Practice PAC, Chartered Accountants and Public Accountants, Singapore.

(ii) Acquisition of subsidiary

There was no acquisition during the financial year.

(iii) Disposal of subsidiary

There was no disposal of subsidiary during the financial year.

	Mar-19 S$	Mar-18 S$
20 LOAN RECEIVABLES – REDEEMABLE PREFERENCE SHARES		
Balance at beginning of the financial year	1,340,000	1,340,000
Addition during the financial year	-	-
Balance at end of the financial year	1,340,000	1,340,000
Less: Allowance for impairment of loss	(1,340,000)	(1,340,000)
	-	-

On 29 June 2015, the Company purchased 1,340 non-cumulative redeemable preference shares at S$1,000 per share from its subsidiary. The shares are mandatorily redeemable at S$1,000 per share on 29 June 2020 or by the subsidiary at any time before that date. The shares are entitled to a fixed income of 4.0% per annum.

Movement in allowance for impairment loss is as follows:-

Beginning of the year	1,340,000	1,340,000
Addition	-	-
End of the year	1,340,000	1,340,000

21 TRADE PAYABLES

These include the following:-

Trade payables – third parties	8,259,567	8,891,164
Ultimate holding company (Note 21(i))	20,739,544	18,088,224
Related parties (Note 21(i))	3,512,157	3,512,157
Advance billings (Note 21(ii)	3,582,983	3,465,408
Trade advances received (Note 21(iii)	-	85,506
Total trade payables - current	36,094,251	34,042,459
Non-Current		
Advance billings (Note 21(ii)	-	210,382
Total trade payables - non current	-	210,382
Total trade payables	36,094,251	34,252,841
Add: Other payables (Note 22)	6,028,505	8,473,352
Other current liabilities (Note 23)	4,778,484	4,114,961
Employment encashment compensated absence (Note 24)	6,506,018	7,319,610
Less: Advance billings (Note 21(ii))	(3,582,983)	(3,675,790)
Trade advance received (Note 21(iii))	-	(85,506)
Total Financial liabilities	49,824,275	50,399,468

	Mar-19 S$	Mar-18 S$

21 TRADE PAYABLES (continued)

Trade and other payables are non-interest bearing.

Trade payables are normally settled on 30 to 60 days terms.

(i) Ultimate holding company and related parties

The trade balances arose from normal trade transactions. They are unsecured, interest-free and repayable on normal trading terms.

(ii) Advance billings (Trade)

	Mar-19 S$	Mar-18 S$
Current - third parties (Note 21(iii))	3,582,983	3,465,408
Non-current - third parties	-	210,382
Total	3,582,983	3,675,790

These represent advances received and receivable upon signing of long term contracts and the undue proportion of the annual maintenance contracts. These are not included in the profit or loss. The unpaid advance billings are reflected in the trade receivables.

(iii) Trade advances received - current

These represent trade advances received which will be used to set off against sales generated after the reporting date.

22 OTHER PAYABLES

These include the following:-

	Mar-19 S$	Mar-18 S$
Third parties	2,092,303	3,820,973
Related parties (Note 22(i))	3,936,202	4,652,379
	6,028,505	8,473,352

Other payables have an average term of six months.

(i) Related parties

The non-trade balances represent advances for working capital. They are unsecured, interest free and repayable on demand.

23 OTHER FINANCIAL LIABILITIES

These include the following:-

	Mar-19 S$	Mar-18 S$
Accrued for:-		
Performance bonus	1,872,735	1,392,462
CPF	923,214	807,704
Other operating expenses	1,982,535	1,914,795
	4,778,484	4,114,961

	Mar-19 S$	Mar-18 S$

24 EMPLOYEE ENCASHMENT COMPENSATED ABSENCE

	Mar-19 S$	Mar-18 S$
Current		
Employee encashment of compensated absence	2,544,463	3,074,236
Non-current		
Employee encashment of compensated absence	3,961,555	4,245,374
	6,506,018	7,319,610

The Company automatically encashes compensated absences exceeding 45 days by the employee upon completion of a full year service period and any remaining compensated absence less than 45 days is allowed to be carried forward to the next calendar year with no expiry. In addition, compensated absence of an employee upon resignation or retirement from the Company will be paid in full at date of resignation or retirement.

The expected costs of this benefit is accrued based on the present value of the defined compensated absence obligation at the reporting date. The defined compensated absence obligation is calculated annually by an independent actuary using the projected accrued benefit method taking into account pattern of availment of leave whilst in service and qualifying salary on the date of availment of leave. In respect of encashment of leave, the defined compensated absence obligation is calculated taking into account all types of decrement and qualifying salary projected up to the assumed date of encashment. The present value of the defined compensated absence obligation is determined by discounting the estimated future cash outflows using interest rates of high quality fixed interest bonds that are denominated in the currency in which the obligations will be paid, and that have terms to maturity approximating the terms of the related compensated absence liability.

Management has assumed a discount rate of 3.20% (2018: 2.16%) based on fixed interest Singapore government bonds. Further, a salary escalation rate of 4% (2018: 4%) was assumed taking into account inflation, seniority and other relevant factors. The pattern of availment of leave by employees of the Company assumed is 4% (2018: 5.3%) of the leave balance as at the reporting date and each subsequent year following the reporting date. In addition, management has adopted the Singapore 1997 - 2002 mortality (S9702) data in computing its actuarial liability.

Sensitivity analysis:

The sensitivity of the defined compensated absence obligation to small changes in the principal assumptions of less than 5% is not expected to be material.

Particulars	**PBO (Mar-19) in S$**
Project benefit obligation	6,506,018
Project benefit obligation on salary escalation rate plus 1%	6,684,159
Project benefit obligation on salary escalation rate minus 1%	6,334,764

25 SHARE CAPITAL

	Mar-19 S$	Mar-18 S$
Issued and fully paid:		
2,035,000 [2018 :2,035,000] ordinary shares	2,035,000	2,035,000

All issued ordinary shares are fully paid.

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

	Mar-19 S$	Mar-18 S$

26 BANK GUARANTEES

(I) At reporting date, the Company has given bank guarantees to its customers for deposits and performance bonds amounting to S$ 10,917,713 (2018: S$10,904,021).

(ii) The income arising on providing these performance guarantees, as above, is immaterial. It has therefore not been recognised in the financial statements.

27 DIVIDEND PAID

	Mar-19 S$	Mar-18 S$
Interim dividend for the year 2018-2019 at S$3.20 per share were paid on 22 August 2018	6,512,000	-
Interim dividend for the year 2017-2018 at S$3.25 per share were paid on 25 September 2017	-	6,613,750
	6,512,000	6,613,750

28 RELATED PARTY TRANSACTIONS

During the financial year, the Company had the following significant transactions with its holding companies and related parties, at mutually agreed terms between the parties, as follows:-

	Mar-19 S$	Mar-18 S$
Income:-		
Sales to related parties	14,206,485	16,908,958
Sales to ultimate holding company	3,147,090	3,484,437
Interest income - related parties	1,120,152	1,140,619
Expenditure:-		
Purchases from / consulting charges by:-		
- Ultimate holding company	46,682,524	50,963,585
- Related parties	14,996,948	11,544,723
Corporate guarantee fees:-		
- Ultimate holding company	-	56,978

Outstanding balances at 31 March 2019, arising from the above transactions are disclosed in Notes 12, 13, 21 and 22 to the financial statements.

The key management personnel comprise Directors whose short-term employment benefits are disclosed under Note 8 to the financial statements.

	Mar-19	Mar-18
	S$	S$

29 LEASE COMMITMENTS

The Company leases various office premises, office equipment, equipment and applicable software licenses for sublease, under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

(i) The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:-

	Mar-19	Mar-18
Not later than one year	266,980	1,106,961
Later than one year but not later than five years	-	267,381
	266,980	1,374,342

(ii) The future minimum sublease payments expected to be received under non-cancellable sublease of equipment and applicable software licenses are as follows:-

	Mar-19	Mar-18
Not later than one year	2,169,606	904,981
Later than one year but not later than five years	1,834,373	1,363,294
	4,003,979	2,268,275

Option to purchase:

The Company has the option to purchase all but not part of the equipment and applicable software licenses upon the expiration of the lease. If the Company does not exercise this option to purchase at the expiration of the lease, the Company shall return the equipment to the lessor.

The sub-lessee carries the same term of option to purchase.

30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The board of directors of the Company and ultimate holding company reviews and agrees policies and procedures for the management of these risks, which are executed by the local directors and the financial officers of the Company and ultimate holding company.

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

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets including cash and cash equivalents, the Company minimises the credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis resulting in the Company's exposure to bad debts are being insignificant.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position as disclosed under Note 12 to the financial statements.

No collateral is held for these receivables as these receivables are considered to be reputable and credit worthy.

30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

Credit risk concentration profile

The Company determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Company's trade receivables at the reporting date is as follows:-

	Mar-19		Mar-18	
	S$	% of Total	S$	% of Total
Singapore	39,344,769	78%	39,077,431	80%
United States of America	10,810,277	21%	9,410,792	20%
Others	355,039	1%	62,298	0%
	50,510,084	100%	48,550,521	100%

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a good payment record with the Company. Cash and cash equivalents, that are neither past due nor impaired are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 12 (trade receivables).

(b) Market Risk

(i) Market Price Risk

Market price 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 prices (other than interest or exchange rates).

The Company monitors its exposure to sales of products and services price risk by setting limits on the type and quantum of jobs that it accepts so as to reduce the level of profitability risk.

Sensitivity analysis for market price risk

The Company is always mindful of the highly competitive business environment. It remains highly competitive by increasing efficiency from synergy within the group.

(II) Foreign Currency Risk

The Company has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the functional currency (Singapore Dollar) of the Company.

The Company's currency exposure based on the information provided to key management are as follows:-

	Mar-19			
	USD stated in S$	HKD stated in S$	EURO stated in S$	Others stated in S$
Financial Assets				
Trade and other receivables	34,543,440	-	7,086,733	(626,297)
Cash and cash equivalents	27,242,521	-	-	170,169
Total financial assets	61,785,961	-	7,086,733	(456,128)
Financial Liabilities				
Trade and other payables	575,739	(3,246,179)	(1,666,994)	(2,618,725)
Other financial liabilities	157,996	-	-	(14,965)
Total financial liabilities	733,735	(3,246,179)	(1,666,994)	(2,633,690)
Currency exposure on financial assets/ (liabilities)	61,052,226	3,246,179	8,753,727	2,177,562

30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(b) Market Risk (continued)

(ii) Foreign Currency Risk (continued)

	Mar-18		
	USD stated in S$	EURO stated in S$	Others stated in S$
Financial Assets			
Trade and other receivables	40,945,900	10,197,383	(1,105,951)
Total financial assets	40,945,900	10,197,383	(1,105,951)
Financial Liabilities			
Trade and other payables	2,831,352	275,650	2,539,450
Other financial liabilities	(178,200)	-	14,965
Total financial liabilities	2,653,152	275,650	2,554,415
Currency exposure on financial assets/ (liabilities)	38,292,748	9,921,733	(3,660,366)

Sensitivity analysis for foreign currency risk

As at 31st March 2019, if the USD, Euro and HKD has strengthened/weakened by 3% (2018: 3%) against the SGD with another variables including tax rates being held constant, the profit after tax of the Company would have been higher/lower by S$1,818,998 (2018: S$1,200,540 respectively as a result of currency translation gains/losses on USD,HKD and Euro nominated financial statements.

(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 do not have any borrowing exposure at the reporting date.

Sensitivity analysis for interest rate risk

The Company has no significant interest rate risk sensitivity of the reporting date.

(c) Liquidity Risk

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Directors manage the liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

30 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (continued)

(c) Liquidity Risk (continued)

	Cash Flows				
Mar-19	One year or less S$	Two to five years S$	Later than five years S$	Adjsutment S$	Total S$
Trade payables	32,511,268	-	-	-	32,511,268
Other payables	6,028,505	-	-	-	6,028,505
Other financial liabilities	4,778,484	-	-	-	4,778,484
Employee encashment compensated absence	2,544,463	3,961,555	-	-	6,506,018
Total	45,862,720	3,961,555	-	-	49,824,275

Mar-18	One year or less S$	More than one year but not later than 5 years S$	Later than five years S$	Adjsutment S$	Total S$
Trade payables	30,491,545	-	-	-	30,491,545
Other payables	8,473,352	-	-	-	8,473,352
Other financial liabilities	4,114,961	-	-	-	4,114,961
Employee encashment compensated absence	3,074,236	4,245,374	-	-	7,319,610
Total financial liabilities	46,154,094	4,245,374	-	-	50,399,468

(d) Fair value of financial assets and financial liabilities

The following table represents assets and liabilities measured at fair value and classified by the following fair value measurement hierarchy :

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(iv) The following table present the assets measured at fair value at the reporting date:-

2019	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
Assets				
Financial assets, FVPL :-				
-Equity securities	-	-	12,664	12,664
Total assets	-	-	12,664	12,664

2018	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
Assets				
Financial assets, FVPL :-				
-Equity securities	-	-	12,664	12,664
Total assets	-	-	12,664	12,664

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

(e) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statement of financial position and in Notes 12 and 21 to the financial statements.

	Mar-19 S$	Mar-18 S$

31 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

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 shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2019 and 31 March 2018.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, trade and other payables, other liabilities, less cash and short-term deposits. Capital includes total equity.

	Mar-19 S$	Mar-18 S$
Trade payables (Note 21)	36,094,251	34,252,841
Other payables (Note 22)	6,028,505	8,473,352
Other financial liabilities (Note 23)	4,778,484	4,114,961
Employee encashment compensated absence (Note 24)	6,506,018	7,319,610
Less: - Cash and short-term deposits (Note 11)	(15,812,611)	(4,333,340)
Net debt	37,594,647	49,827,424
Total equity	56,290,669	51,410,338
Total capital	56,290,669	51,410,338
Capital and net debt	93,885,316	101,237,762
Gearing ratio (%)	40%	49%

32 EVENTS OCCURING AFTER REPORTING DATE

On 16 April 2019, the company paid interim dividend for the financial year 31 March 2019 at a rate of SGD 8.845 per equity shares, aggregating to SGD 17,999,575.

On 10 May 2019, the company entered into an agreement to borrow up to USD 7 million from HCL America Inc., as short term loan at a rate of interest of LIBOR + 100bps.

33 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Board of Director of the Company on

2 7 JUN 2019