

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**

(Incorporated in the Republic of Singapore)

(Co. Reg. No. 201418775M)

**Audited Financial Statements**

**For the financial year ended 31 March 2024**

**SPN ASSOCIATES PAC**

Chartered Accountants of Singapore

1 North Bridge Road, #07-09 High Street Centre, Singapore 179094

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**

(Co. Reg. No. 201418775M)

**For the financial year ended 31 March 2024**

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**Directors' Statement**  
**For the financial year ended 31 March 2024**

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The directors are pleased to present the Directors' Statement to the members together with the audited financial statements of Mastek Systems (Singapore) Pte. Ltd. (the "Company") for the financial year ended 31 March 2024.

**1. Opinion of the directors**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**2. Directors**

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

Dangri Vimal Singh

Meenachi D/O Velu Krishnasamy

**3. Arrangements to enable directors to acquire shares or debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

**4. Directors' interests in shares or debentures**

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

**5. Share options**

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

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

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

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**  
(Co. Reg. No. 201418775M)

**Directors' Statement**  
**For the financial year ended 31 March 2024**

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**6. Auditor**

SPN Associates PAC has expressed its willingness to accept re-appointment as auditor.

The Board of Directors,



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Meenachi D/O Velu Krishnasamy  
Director



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Dangri Vimal Singh  
Director

Singapore,

**31 MAY 2025**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of MASTEK SYSTEMS (SINGAPORE) PTE. LTD. (the Company), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

***Basis for Opinion***

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

***Other Information***

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**

**Report on the Audit of the Financial Statements (Cont'd)**

***Responsibilities of Management and Directors for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
MASTEK SYSTEMS (SINGAPORE) PTE. LTD.

**Report on the Audit of the Financial Statements (Cont'd)**

***Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)***

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

***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.



SPN ASSOCIATES PAC  
Public Accountants and  
Chartered Accountants

Singapore,

**31 MAY 2025**

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**  
(Co. Reg. No. 201418775M)

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the financial year ended 31 March 2024**

	<b>Note</b>	<b>2024 S\$</b>	<b>2023 S\$</b>
<b>Revenue</b>	4	5,042,218	6,476,196
<b>Other items of income</b>			
Other income	5	41,678	26,176
<b>Expenses</b>			
Cost of services	6	(4,077,785)	(6,103,216)
Depreciation of plant and equipment	7	(391)	(1,128)
Employee benefits expense	8	(457,136)	(570,819)
Finance costs	9	(158,939)	(32,179)
Other expenses	10	(289,187)	(358,255)
Allowance for impairment of contract assets	14	(3,538,475)	-
<b>Loss before income tax</b>		(3,438,017)	(563,225)
Income tax (expense) / benefit	11	(351,350)	103,689
<b>Loss for the year, representing Total comprehensive loss for the year</b>		<u>(3,789,367)</u>	<u>(459,536)</u>

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

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**  
(Co. Reg. No. 201418775M)

**Statement of Financial Position**  
**As at 31 March 2024**

	Note	2024 S\$	2023 S\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	7	1,130	-
Investment in a subsidiary	12	1,874	1,874
Deferred tax assets	13	16,600	357,588
		<u>19,604</u>	<u>359,462</u>
<b>Current assets</b>			
Contract assets	14	1,200,355	3,325,829
Trade receivables	15	847,307	1,921,636
Deposits, prepayments and other receivables	16	106,763	65,755
Advances to suppliers	17	215,076	57,273
Cash and cash equivalents	18	944,928	1,134,250
		<u>3,314,429</u>	<u>6,504,743</u>
<b>Total assets</b>		<u><u>3,334,033</u></u>	<u><u>6,864,205</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	100,000	100,000
Accumulated losses		(4,293,658)	(504,291)
<b>Total equity</b>		<u>(4,193,658)</u>	<u>(404,291)</u>
<b>Current liabilities</b>			
Contract liabilities	14	231,497	663,932
Loans and borrowings	20	4,852,545	3,967,417
Trade payables	21	1,652,138	2,457,459
Other payables and accruals	22	783,837	179,688
Advances from customer	23	7,674	-
		<u>7,527,691</u>	<u>7,268,496</u>
<b>Total liabilities</b>		<u>7,527,691</u>	<u>7,268,496</u>
<b>Total equity and liabilities</b>		<u><u>3,334,033</u></u>	<u><u>6,864,205</u></u>

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

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**  
(Co. Reg. No. 201418775M)

**Statement of Changes in Equity**  
**For the financial year ended 31 March 2024**

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	<b>Share capital S\$</b>	<b>Accumulated losses S\$</b>	<b>Total S\$</b>
Balance at 1 April 2022	100,000	(44,755)	55,245
Total comprehensive loss for the year	-	(459,536)	(459,536)
Balance at 31 March 2023	100,000	(504,291)	(404,291)
Total comprehensive loss for the year	-	(3,789,367)	(3,789,367)
Balance at 31 March 2024	100,000	(4,293,658)	(4,193,658)

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

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**

(Co. Reg. No. 201418775M)

**Statement of Cash Flows  
For the financial year ended 31 March 2024**

	Note	2024 S\$	2023 S\$
<b>Cash flows from operating activities</b>			
Loss before income tax		(3,438,017)	(563,225)
<u>Adjustments for:</u>			
Impairment allowance written back, trade		(79)	(26,176)
Allowances for impairment of contract assets		3,538,475	-
Depreciation of plant and equipment		391	1,128
Finance costs		158,939	32,179
Unrealised foreign exchange loss		69,847	-
<b>Operating cash flow before working capital changes</b>		<u>329,556</u>	<u>(556,094)</u>
<u>Changes in working capital:</u>			
Contract assets		(1,413,001)	(887,595)
Trade receivables		1,074,408	(684,647)
Other receivables		(19,663)	(18,335)
Advances to suppliers		(157,803)	(57,273)
Contract liabilities		(432,435)	234,087
Trade payables		(805,321)	(1,585,183)
Other payables and accruals		604,149	(258,951)
Advances from customer		7,674	-
<b>Cash used in operating activities</b>		<u>(812,436)</u>	<u>(3,813,991)</u>
Income tax paid		(10,362)	(1,843)
<b>Net cash used in operating activities</b>		<u>(822,798)</u>	<u>(3,815,834)</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		(1,521)	(1,128)
<b>Net cash used in investing activities</b>		<u>(1,521)</u>	<u>(1,128)</u>
<b>Cash flows from financing activities</b>			
Interest expense on loans and borrowings		-	(32,179)
Loan from a subsidiary		-	468,202
Loan from subsidiaries of the ultimate holding company		1,132,625	3,499,215
Loan to ultimate holding company		(2,774)	-
Loan to a subsidiary		(40,973)	-
Loan to subsidiaries of the ultimate holding company		-	(22,402)
Repayment of loan from a subsidiary		-	900,445
Repayment of loan from subsidiaries of the ultimate holding company		22,402	-
Repayment of loan to subsidiaries of the ultimate holding company		(476,283)	-
<b>Net cash generated from financing activities</b>		<u>634,997</u>	<u>4,813,281</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>			
		(189,322)	996,319
Cash and cash equivalents at the beginning of the year		1,134,250	137,931
<b>Cash and cash equivalents at the end of the year</b>	18	<u>944,928</u>	<u>1,134,250</u>

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

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**1.1 CORPORATE INFORMATION**

Mastek Systems (Singapore) Pte. Ltd. (the “Company”) is incorporated in Singapore as a private company limited by shares. Its registered office is at 8 Temasek Boulevard, #42-01 Suntec Tower Three, Singapore 038988.

The principal activities of the Company are those of information technology consultancy.

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

The immediate holding company is Mastek Enterprise Solutions Private Limited, which is incorporated in India. The ultimate holding company is Mastek Limited, which is an entity listed in Indian Stock Exchange.

**1.2 Going Concern Assumption**

The Company recorded a net loss of S\$ 3,789,367 and an operating cash outflow of S\$ 822,798 for the financial year ended 31 March 2024. As at 31 March 2024, the Company’s current liabilities exceeded its current assets by S\$ 4,213,262 and total liabilities exceeded its total assets by S\$ 4,193,658.

The financial statements of the Company have been prepared on a going concern assumption, notwithstanding the above factors as the ultimate holding company, Mastek Limited has undertaken to provide the necessary financial support. In view of the undertaking by the ultimate holding company to provide continuing financial support, management is of the view that the Company will have adequate cash flows for the next twelve months from the date these financial statements are authorised for issue.

**2 MATERIAL ACCOUNTING POLICY INFORMATION**

**2.1 Basis of Preparation**

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

**2.2 Adoption of New and Amended Standards and Interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.3 Standards Issued but Not Yet Effective**

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendment to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 7 <i>Statement of Cash Flows and FRS 107 Financial Instruments</i> : Disclosures: Supplier Finance Arrangements	1 January 2024
Amendment to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025

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

**2.4 Foreign Currency**

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency.

**Transactions and Balances**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

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

**2.5 Consolidation**

These financial statements are the separate financial statements of Mastek Systems (Singapore) Pte. Ltd. The Company is exempted from the requirements to prepare consolidated financial statements as the ultimate holding company, Mastek Limited an entity listed in Indian Stock Exchange, produces consolidated financial statements available for public use. The registered address of Mastek Limited where those consolidated financial statements can be obtained is at 804/805 President House Opposite C N Vidyalaya NR Ambawadi Circle, Ahmedabad, Gujarat – 380006, India.

**2.6 Subsidiary**

Subsidiary is an entity over which the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.6 Subsidiary (Cont'd)**

In the Company's financial statements, investment in subsidiary is accounted for at cost less impairment losses.

The consideration transferred for the acquisition of a subsidiary includes contingent consideration arrangement measured at fair value at the acquisition date.

**2.7 Plant and Equipment**

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer equipment	1 year
Office equipment	1 year

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

**2.8 Financial Instruments**

**(a) Financial Assets**

**Initial recognition and measurement**

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

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (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.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.8 Financial Instruments (Cont'd)**

**(a) Financial Assets (Cont'd)**

**Initial recognition and measurement (Cont'd)**

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

**Subsequent Measurement**

*Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (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.

*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, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

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.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.8 Financial Instruments (Cont'd)**

**(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, net of 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.

**2.9 Impairment of Financial Assets**

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

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

For trade receivables and contract assets, 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.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.9 Impairment of Financial Assets (Cont'd)**

The Company considers a financial asset in default when contractual payments are 365 days past due. However, in certain cases, the Company may 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.

**2.10 Impairment of Non-Financial Assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

**2.11 Provisions**

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.12 Share Capital**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**2.13 Contract Assets and Contract Liabilities**

A contract asset is recognised when the Company recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses (ECL) and are reclassified to trade receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Company recognises the related revenue. A contract liability would also be recognised if the Company has an unconditional right to receive consideration before the Company recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or net contract liability is presented. For multiple contracts, contracts assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

**2.14 Revenue**

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.

Service revenue

Revenue represents the amounts received and receivable from information technology consultancy rendered by the Company to customers, which is recognised over time.

**2.15 Taxes**

***Current Income Tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.15 Taxes (Cont'd)**

***Current Income Tax (Cont'd)***

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

***Deferred Tax***

Deferred income tax is provided using the liability method, on all temporary differences at the financial year end date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

***Goods and Services Tax***

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

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

**2.16 Cash and Cash Equivalents**

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

**2.17 Employee Benefits**

***Defined contribution plans***

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

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.17 Employee Benefits (Cont'd)**

**Short-term employee benefits**

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

**2.18 Borrowing Costs**

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

**2.19 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**Right-of-Use Assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**2 MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.19 Leases (Cont'd)**

**Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-Term Leases and Leases of Low-Value Assets**

The Company applies the short-term lease recognition exemption to its short-term leases of office (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)**

**3.1 Judgements made in applying accounting policies**

***Determination of Functional Currency***

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

**3.2 Key Sources of Estimation Uncertainty**

***Provision for Expected Credit Losses of Trade Receivables and Contract Assets***

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in Note 25.1.

***Estimating the incremental borrowing rate***

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**4 REVENUE**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Disaggregation of revenue -</b>		
Service revenue	5,042,218	6,476,196
<b>Timing of revenue recognition -</b>		
Over time	5,042,218	6,476,196

**5 OTHER INCOME**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Impairment allowance written back, trade	79	26,176
Transport and travelling expenses recharged	41,599	-
	41,678	26,176

**6 COST OF SERVICES**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Purchases of software	70,521	83,038
Professional fees – related parties	3,918,812	5,629,944
Professional fees – non-related parties	88,452	390,234
	4,077,785	6,103,216

**7 PLANT AND EQUIPMENT**

	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<u>Cost</u>			
At 1 April 2022	15,561	750	16,311
Additions	1,128	-	1,128
At 31 March 2023	16,689	750	17,439
Additions	1,521	-	1,521
At 31 March 2024	18,210	750	18,960

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**7 PLANT AND EQUIPMENT (CONT'D)**

	<b>Computer equipment S\$</b>	<b>Office equipment S\$</b>	<b>Total S\$</b>
<u>Accumulated Depreciation</u>			
At 1 April 2022	15,561	750	16,311
Depreciation for the period	1,128	-	1,128
At 31 March 2023	16,689	750	17,439
Depreciation for the period	391	-	391
At 31 March 2024	17,080	750	17,830
<u>Net Book Value</u>			
At 31 March 2024	1,130	-	1,130
At 31 March 2023	-	-	-

**8 EMPLOYEE BENEFITS EXPENSE**

	<b>2024 S\$</b>	<b>2023 S\$</b>
Employee salaries and bonuses	446,349	534,532
Central provident fund contribution	9,859	13,253
Staff allowances	-	4,750
Medical expenses	-	137
Skills development levy	804	742
Staff welfare	124	17,405
	<u>457,136</u>	<u>570,819</u>

**9 FINANCE COSTS**

	<b>2024 S\$</b>	<b>2023 S\$</b>
Interest expense on loans and borrowings	<u>158,939</u>	<u>32,179</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**10 OTHER EXPENSES**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Bank charges	17,209	13,290
Consultation fee	950	-
General expenses	301	-
Insurance	14,053	28,621
Loss on foreign exchange	103,077	142,717
Marketing expenses	4,989	7,558
Office expenses	255	132
Printing, postage and stationery	53	-
Professional fees	60,632	34,979
Rental of premises	27,904	62,797
Repairs and maintenance	15,551	11,399
Staff training fee	108	-
Subscription fees	-	691
Transport and travelling expenses	44,105	56,071
	<u>3,827,662</u>	<u>358,255</u>

**11 INCOME TAX EXPENSE / (BENEFIT)**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<i>Provision for taxation</i>		
At the beginning of financial year	-	-
Provision for income tax expense for the year	10,362	1,843
Tax paid during the financial year	(10,362)	(1,843)
At the end of financial year	<u>-</u>	<u>-</u>

The components of income tax expense / (benefit) recognised in profit or loss for the years ended 31 March 2024 and 31 March 2023 were:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current income tax</b>		
Current income tax	10,362	1,843
	<u>10,362</u>	<u>1,843</u>
<b>Deferred income tax</b>		
Origination and reversal of temporary differences (Note 13)	340,988	(105,532)
Income tax expense / (benefit) recognised in profit or loss	<u>351,350</u>	<u>(103,689)</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**11 INCOME TAX BENEFIT (CONT'D)**

**Relationship between tax expense / (benefit) and accounting loss**

A reconciliation between tax expense / (benefit) and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 31 March 2024 and 31 March 2023 were as follows:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Loss before income tax	(3,438,017)	(563,225)
Tax calculated using Singapore tax rate 17%	(584,463)	(95,748)
Tax effect of:		
Non-deductible expenses	14,232	192
Non-taxable income	(13)	(9,976)
Reversal of deferred tax assets	340,988	-
Effect of deferred tax assets not recognised	570,244	-
Difference in foreign tax rate	10,362	1,843
Income tax benefit recognised in profit or loss	<u>351,350</u>	<u>(103,689)</u>

As at end of financial year, the Company has unabsorbed tax losses of approximately S\$ 5,298,901 (2023: S\$ 1,948,491) and unutilised capital allowances of approximately S\$ 11,562 (2023: S\$ 10,041), which are available for carry over for set off against future taxable income, subject to compliance with certain provisions of the Income Tax Act.

The deferred tax assets on the unabsorbed tax losses amounting to S\$ 900,813 (2023: S\$ 331,243) and unutilised capital allowances amounting to S\$ 1,966 (2023: S\$ 1,707) have not been recognised in the accounts in accordance with the accounting policy in Note 2.15 to the financial statements.

**12 INVESTMENT IN A SUBSIDIARY**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<i>Unquoted investment, at cost</i>		
At the beginning of the financial year	1,874	1,874
Add: Additions during the financial year	-	-
At the end of the financial year	<u>1,874</u>	<u>1,874</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**12 INVESTMENT IN A SUBSIDIARY (CONT'D)**

The detail of the subsidiary is as follows:

Name	Country of Incorporation	Principal Activities	Percentage Holding		Auditors
			2024	2023	
Evosys Consultancy Services (Malaysia) Sdn. Bhd.	Malaysia	Software consultancy	100%	100%	Grant Thornton Malaysia PLT

**Consolidated financial statements**

These financial statements are the separate financial statements of Mastek Systems (Singapore) Pte Ltd. The Company is exempted from the requirements to prepare consolidated financial statements as the ultimate holding company, Mastek Limited produces consolidated financial statements available for public use at its registered office located at 804/805 President House Opposite C N Vidyalaya NR Ambawadi Circle, Ahmedabad, Gujarat – 380006, India.

**13 DEFERRED TAX ASSETS**

Movements in deferred tax assets during the financial year were as follows:

	2024 S\$	2023 S\$
Balance at beginning of year	357,588	252,056
Movement in temporary differences	(340,988)	105,532
Balance at end of year	<u>16,600</u>	<u>357,588</u>

	At 1 April 2022 S\$	Recognised in profit or loss S\$	At 31 March 2023 S\$	Recognised in profit or loss S\$	At 31 March 2024 S\$
<b>Deferred tax assets</b>					
Arising from unabsorbed tax losses	231,237	100,006	331,243	(331,243)	-
Arising from unutilised capital allowances	1,515	192	1,707	(1,707)	-
Differences in depreciation for tax purposes	-	-	-	(192)	(192)
Others	19,304	5,334	24,638	(7,846)	16,792
	<u>252,056</u>	<u>105,532</u>	<u>357,588</u>	<u>(340,988)</u>	<u>16,600</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**14 CONTRACT ASSETS / LIABILITIES**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Contract assets:		
Unbilled service revenue	1,200,355	3,325,829
Contract liabilities:		
Advance billings for service revenue	231,497	663,932
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Contract assets</b>		
As at 01 April	3,325,829	2,438,234
Less: billed during the year	(2,086,977)	(1,853,938)
Add: contract assets for the year	3,499,978	2,741,533
	4,738,830	3,325,829
Less: Allowance for impairment of contract assets	(3,538,475)	-
<b>As at 31 March</b>	<b>1,200,355</b>	<b>3,325,829</b>
	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Contract liabilities</b>		
As at 01 April	663,932	429,845
Less: revenue booked during the year	(559,705)	(404,365)
Add: contract liability for the year	127,270	638,452
<b>As at 31 March</b>	<b>231,497</b>	<b>663,932</b>

- (i) Contract assets comprise unbilled revenue from customers for which the Company has performed work as at balance sheet date, but the agreed billing milestones have not been reached. Contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.
- (ii) Contract liabilities comprise advance payments from customers. In respect of service revenue, such advances arise when a particular milestone payment exceeds the work performed to date.

Expected credit losses

The movement in allowance for expected credit losses on contract assets as follows:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Movement in allowance accounts:		
Beginning of financial year	-	-
Allowance made	3,538,475	-
End of financial year	3,538,475	-

During the year, management assessed impairment for long outstanding contract assets and made allowance of S\$ 3,538,475 (2023: S\$ Nil)

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**15 TRADE RECEIVABLES**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Trade receivables	946,084	2,020,492
Less: Allowance for impairment of trade receivables	(98,777)	(98,856)
	<u>847,307</u>	<u>1,921,636</u>

Trade receivables are non-interest bearing and the average credit period granted are generally 7 to 45 days.

The Company has trade receivables amounting to S\$ 582,974 (2023: S\$ 1,135,603) that were past due at the reporting date but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting date is as follows:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b><u>Past due but not impaired: -</u></b>		
Less than 30 days	102,228	879,949
31 to 60 days	76,064	145,061
61 to 90 days	51,674	87,464
More than 90 days	353,008	23,129
	<u>582,974</u>	<u>1,135,603</u>

Expected credit losses

The movement in allowance for expected credit losses on trade receivables computed based on lifetime ECL was as follows:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Movement in allowance accounts:		
Beginning of financial year	98,856	125,032
Allowance written back	(79)	(26,176)
End of financial year	<u>98,777</u>	<u>98,856</u>

Trade receivables are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollars	829,487	1,921,636
United States Dollar	17,820	-
	<u>847,307</u>	<u>1,921,636</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**16 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Advances to employees	24,583	-
Amount due from subsidiaries of the ultimate holding company	6,075	28,477
Amount due from a subsidiary	40,973	-
Amount due from ultimate holding company	5,056	2,282
Deposits	6,000	8,277
Prepayments	3,035	3,227
Other receivables	21,041	23,492
	<u>106,763</u>	<u>65,755</u>

Amount due to subsidiaries of the ultimate holding company, subsidiary company and ultimate holding company (non-trade) is unsecured, interest-free and repayable on demand.

Deposits, prepayments and other receivables are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollars	106,763	50,835
Malaysia Ringgit	-	14,920
	<u>106,763</u>	<u>65,755</u>

**17 ADVANCES TO SUPPLIERS**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Advances to suppliers		
- Third parties	56,060	57,273
- Ultimate holding company	139,256	-
- Subsidiary of the ultimate holding company	19,760	-
	<u>215,076</u>	<u>57,273</u>

Advances to suppliers refers to advance payments made under contract with suppliers for professional fees which fulfilled after the year end.

Advances to suppliers are denominated in Singapore Dollars.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**18 CASH AND CASH EQUIVALENTS**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Cash at banks	944,928	1,134,250

Cash and cash equivalents are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollars	761,962	926,116
United States Dollars	182,966	208,134
	<u>944,928</u>	<u>1,134,250</u>

**19 SHARE CAPITAL**

	<b>2024</b>		<b>2023</b>	
	<b>Number of shares</b>	<b>S\$</b>	<b>Number of shares</b>	<b>S\$</b>
Issued and fully paid				
At the beginning of the financial year	100,000	100,000	100,000	100,000
Issued during the year	-	-	-	-
At the end of the financial year	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

All issued ordinary shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

**20 LOANS AND BORROWINGS**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Unsecured loan - subsidiary	495,353	468,202
Unsecured loan - subsidiaries of the ultimate holding company	4,357,192	3,499,215
	<u>4,852,545</u>	<u>3,967,417</u>

Unsecured loan pertains to the loan taken from a subsidiary company and subsidiaries of the ultimate holding company with repayment term of 1 year and interest at 1.6% per annum above British Pound Sterling Overnight Index Average Rate.

Loans and borrowings are denominated in United States Dollar.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**21 TRADE PAYABLES**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Trade creditors		
- Third parties	44,806	50,491
- Ultimate holding company	171,808	83,409
- Immediate holding company	1,214,784	2,089,450
- Subsidiaries of the ultimate holding company	220,740	234,109
	<u>1,652,138</u>	<u>2,457,459</u>

Trade payables are non-interest bearing and have an average credit term of 15 to 45 days.

Trade payables are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollars	1,036,814	307,505
United States Dollars	392,136	2,149,954
Indian Rupees	223,188	-
	<u>1,652,138</u>	<u>2,457,459</u>

**22 OTHER PAYABLES AND ACCRUALS**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Accruals	771,284	99,130
Goods and services tax payables	11,479	80,558
Other payable	1,074	-
	<u>783,837</u>	<u>179,688</u>

Other payables and accruals are denominated in the following currencies:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollars	124,499	179,688
United States Dollars	659,338	-
	<u>783,837</u>	<u>179,688</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**23 ADVANCES FROM CUSTOMER**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Advances to customer	7,674	-

Advances from customer refers to advance payments received under contract with customer for service revenue which fulfilled after the year end.

Advances from customer is denominated in Singapore Dollars.

**24 SIGNIFICANT RELATED PARTY TRANSACTIONS**

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

A) Transactions with the ultimate holding company

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Transport and travelling expenses recharged	2,774	-
Professional fees	611,441	90,326
Loan to ultimate holding company	2,774	-

B) Transactions with the immediate holding company

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Professional fees	3,282,970	5,267,336

C) Transactions with a subsidiary

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Loan from a subsidiary	-	468,202
Loan to a subsidiary	40,973	-
Repayment of loan from a subsidiary	-	900,445
Interest expense	19,741	2,702

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**24 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)**

D) Transactions with subsidiaries of the ultimate holding company

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Loan from subsidiaries of the ultimate holding company	1,132,625	3,499,215
Loan to subsidiaries of the ultimate holding company	-	22,402
Repayment of loan from subsidiaries of the ultimate holding company	22,402	-
Repayment of loan to subsidiaries of the ultimate holding company	476,283	-
Professional fees	33,839	281,607
Interest expense	139,198	29,477

**25 FINANCIAL RISK MANAGEMENT**

The Company is exposed to financial risks arising from its operation. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**25.1 Credit risk**

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

The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades only with recognized and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms undergo credit verification procedures. In addition, receivable balances are monitored on an on-going basis to minimize the Company's exposure to bad debts.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**25 FINANCIAL RISK MANAGEMENT (CONT'D)**

**25.1 Credit risk (Cont'd)**

Contract assets relate to the Company's rights to consideration for work completed but not billed at the reporting date, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. Trade receivables and contract assets that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

Trade receivables: As at March 31, 2024, the Company had a significant concentration of credit risk with three major customers accounting for 48.4% (March 31, 2023: 61.9%) of net trade receivables at that date. Management believes that this concentration of credit risk is mitigated because the outstanding balances at the year-end are with customers who have long-term relationship with the Company.

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

Category	Company definition of category	Basis for recognition of expected credit loss provision
Performing	Receivables whose credit risk is in line with original expectations.	12 month expected losses. Where the expected lifetime of a receivable is less than 12 months, expected losses are measured at its expected lifetime
Underperforming	Receivables for which a significant increase in credit risk has occurred compared to original expectations; a significant increase in credit risk is presumed if repayments of receivables are 30 days past due.	Lifetime expected losses
Non-performing (Credit impaired)	Repayments of receivables are 60 days are past due or it becomes probable a debtor will enter bankruptcy.	Lifetime expected losses
Write-off	Repayments of receivables are 120 days past due and debtor failing to engage a valid repayment plan with the Company.	Receivable is written off

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**25 FINANCIAL RISK MANAGEMENT (CONT'D)**

**25.1 Credit risk (Cont'd)**

The maximum exposure to credit risk for the Company is as follows:

	Note	Gross carrying amount S\$	Net carrying amount S\$	Loss allowance S\$
<b>31 March 2024</b>				
Contract assets	14	4,738,830	1,200,355	3,538,475
Trade receivables	15	946,084	847,307	98,777
				<u>3,637,252</u>
<b>31 March 2023</b>				
Contract assets	14	3,325,829	3,325,829	-
Trade receivables	15	2,020,492	1,921,636	98,856
				<u>98,856</u>

**25.2 Liquidity risk**

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through cash and cash equivalents. The Company finances its working capital requirements through funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

The Company recorded a net loss of S\$ 3,789,367 and an operating cash outflow of S\$ 822,798 for the financial year ended 31 March 2024. As at 31 March 2024, the Company's current liabilities exceeded its current assets by S\$ 4,213,262 and total liabilities exceeded its total assets by S\$ 4,193,658. In view of the undertaking by the ultimate holding company to provide continuing financial support, management is of the view that the Company will have adequate cash flows for the next twelve months from the date these financial statements are authorised for issue (Note 1.2).

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**25 FINANCIAL RISK MANAGEMENT (CONT'D)**

**25.2 Liquidity risk**

The table below summarises the maturity profile of the Company's financial assets and liabilities at end of the reporting period based on contractual undiscounted payments.

	Carrying amount S\$	Contractual cash flows (including interest payments)	
		Total S\$	One year or less S\$
<b>31 March 2024</b>			
<b>Financial assets</b>			
Trade receivables	847,307	847,307	847,307
Deposits and other receivables	79,145	79,145	79,145
Cash and cash equivalents	944,928	944,928	944,928
	<u>1,871,380</u>	<u>1,871,380</u>	<u>1,871,380</u>
<b>Financial liabilities</b>			
Loans and borrowings	4,852,545	4,909,469	4,909,469
Trade payables	1,652,138	1,652,138	1,652,138
Other payables and accruals	772,358	772,358	772,358
	<u>7,277,041</u>	<u>7,333,965</u>	<u>7,333,965</u>
Net financial liabilities	<u>(5,405,661)</u>	<u>(5,462,585)</u>	<u>(5,462,585)</u>
<b>31 March 2023</b>			
<b>Financial assets</b>			
Trade receivables	1,921,636	1,921,636	1,921,636
Deposits and other receivables	62,528	62,528	62,528
Cash and cash equivalents	1,134,250	1,134,250	1,134,250
	<u>3,118,414</u>	<u>3,118,414</u>	<u>3,118,414</u>
<b>Financial liabilities</b>			
Loans and borrowings	3,967,417	4,064,452	4,064,452
Trade payables	2,457,459	2,457,459	2,457,459
Other payables and accruals	99,130	99,130	99,130
	<u>6,524,006</u>	<u>6,621,041</u>	<u>6,621,041</u>
Net financial liabilities	<u>(3,405,592)</u>	<u>(3,502,627)</u>	<u>(3,502,627)</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

**25 FINANCIAL RISK MANAGEMENT (CONT'D)**

**25.3 Foreign currency risk**

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily United States Dollar (USD), Malaysian Ringgit (MYR) and Indian Rupees (INR).

The Company's currency exposures to the USD, MYR and INR at the reporting date were as follows:

	2024		2023	
	USD S\$	INR S\$	USD S\$	MYR S\$
<b><u>Financial assets</u></b>				
Trade receivables	17,820	-	-	-
Deposits, prepayments and other receivables	-	-	-	14,920
Cash and cash equivalents	182,966	-	208,134	-
	<u>200,786</u>	<u>-</u>	<u>208,134</u>	<u>14,920</u>
<b><u>Financial liabilities</u></b>				
Loans and borrowings	4,852,545	-	3,967,417	-
Trade payables	392,136	223,188	2,149,954	-
	<u>5,244,681</u>	<u>223,188</u>	<u>6,117,371</u>	<u>-</u>
Currency exposures	<u>(5,043,895)</u>	<u>(223,188)</u>	<u>(5,909,237)</u>	<u>14,920</u>

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

	Profit or loss after tax	
	2024 S\$	2023 S\$
United States Dollar	418,643	490,467
Malaysian Ringgit	-	(1,238)
Indian Rupees	<u>18,525</u>	<u>-</u>

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**25 FINANCIAL RISK MANAGEMENT (CONT'D)**

**25.3 Foreign currency risk (Cont'd)**

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

**25.4 Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in the market rates. The Company does not have any floating interest rate bearing financial assets or liabilities as at the reporting dates and is not exposed to significant interest rate risk.

**26 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Financial assets</b>		
Trade receivables (Note 15)	847,307	1,921,636
Deposits and other receivables (Note 16)	79,145	62,528
Cash and cash equivalents (Note 18)	944,928	1,134,250
Total financial assets measured at amortised cost	<u>1,871,380</u>	<u>3,118,414</u>
<b>Financial liabilities</b>		
Loans and borrowings (Note 20)	4,852,545	3,967,417
Trade payables (Note 21)	1,652,138	2,457,459
Other payables and accruals (Note 22)	772,358	99,130
Total financial liabilities measured at amortised cost	<u>7,277,041</u>	<u>6,524,006</u>

**27 CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital net of accumulated losses.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2024 and 31 March 2023.

**Notes to the Financial Statements**  
**For the financial year ended 31 March 2024**

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**28 COMPARATIVE FIGURES**

Certain comparative figures in the statement of financial position and statement of profit or loss and other comprehensive income and related disclosure notes have been reclassified to conform with the current year's presentation.

The effects of such reclassification are as follows:

	<b>31.03.2023</b> <b>Previously</b> <b>reported</b> <b>S\$</b>	<b>Reclassification</b>  <b>S\$</b>	<b>31.03.2023</b> <b>As</b> <b>reclassified</b> <b>S\$</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
<b>Employee benefits expense</b>			
Staff allowances	-	4,750	4,750
<b>Other expenses</b>			
General expenses	4,882	(4,882)	-
Office expenses	9,327	(9,195)	132
Repairs and maintenance	2,072	9,327	11,399

**29 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

These financial statements of the Company for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 31 May 2025.

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**  
(Co. Reg. No. 201418775M)

**Appendix A - Detailed Statement of Profit or Loss**  
**For the financial year ended 31 March 2024**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Revenue</b>		
Service revenue	5,042,218	6,476,196
<b>Other income</b>		
Impairment allowance written back, trade	79	26,176
Transport and travelling expenses recharged	41,599	-
	<u>41,678</u>	<u>26,176</u>
<b>Less: Cost of services</b>		
Purchases of software	70,521	83,038
Professional fees – related parties	3,918,812	5,629,944
Professional fees – non-related parties	88,452	390,234
	<u>4,077,785</u>	<u>6,103,216</u>
<b>Less: Depreciation of plant and equipment</b>		
Depreciation of plant and equipment	391	1,128
<b>Less: Employee benefits expense</b>		
Employee salaries and bonuses	446,349	534,532
Central provident fund contribution	9,859	13,253
Staff allowances	-	4,750
Medical expenses	-	137
Skills development levy	804	742
Staff welfare	124	17,405
	<u>457,136</u>	<u>570,819</u>
<b>Less: Finance costs</b>		
Interest expense on loans and borrowings	158,939	32,179
<b>Less: Other expenses</b>		
	<u>289,187</u>	<u>358,255</u>
<b>Less: Allowances for impairment of contract assets</b>		
Allowances for impairment of contract assets	<u>3,538,475</u>	<u>-</u>
<b>Loss before income tax</b>	<b>(3,438,017)</b>	<b>(563,225)</b>
Income tax (expense) / benefit	(351,350)	103,689
<b>Loss for the year</b>	<b><u>(3,789,367)</u></b>	<b><u>(459,536)</u></b>

These do not form part of the audited statutory financial statements of the Company

**MASTEK SYSTEMS (SINGAPORE) PTE. LTD.**  
(Co. Reg. No. 201418775M)

**Appendix A - Detailed Statement of Profit or Loss**  
**For the financial year ended 31 March 2024**

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	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<b>Less: Other expenses</b>		
Bank charges	17,209	13,290
Consultation fee	950	-
General expenses	301	-
Insurance	14,053	28,621
Loss on foreign exchange	103,077	142,717
Marketing expenses	4,989	7,558
Office expenses	255	132
Printing, postage and stationery	53	-
Professional fees	60,632	34,979
Rental of premises	27,904	62,797
Repairs and maintenance	15,551	11,399
Staff training fee	108	-
Subscription fees	-	691
Transport and travelling expenses	44,105	56,071
	<u>289,187</u>	<u>358,255</u>

These do not form part of the audited statutory financial statements of the Company