

Mastek Systems (Singapore) Pte Ltd
Balance Sheet As At March 31, 2024

	Note No	As at	
		March 31, 2024	March 31, 2023
		S\$	S\$
ASSETS			
Non-current assets			
Property, plant and equipment, net	10	1,130	-
Investment in subsidiary	11	1,874	1,874
Deferred tax assets		25,413	3,57,588
		28,417	3,59,462
Current assets			
Financial assets			
Contract Assets	12	47,38,830	33,25,829
Deposits, prepayments and other receivables		54,416	43,353
Advance to suppliers		-	57,273
Trade and other receivables	12	7,12,749	19,21,637
Cash and cash equivalents	13	9,44,928	11,34,250
Total current assets		64,50,923	64,82,341
Total Assets		64,79,339	68,41,802
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	14	1,00,000	1,00,000
Retained earnings		(7,96,478)	(5,04,292)
Total equity		(6,96,478)	(4,04,292)
Current liabilities			
Contract Liabilities		2,31,497	6,63,932
Borrowings		48,52,545	39,67,417
Other Payables and accruals		(5,197)	1,79,687
Trade and other payables	15	20,96,972	24,35,058
Total current liabilities		71,75,817	72,46,094
Total liabilities		71,75,817	72,46,094
Total equity and liabilities		64,79,339	68,41,802

(The accompanying accounting policies and explanatory notes form an integral part of these financial statements)

Mastek Systems (Singapore) Pte Ltd**Statement Of Profit And Loss And Other Comprehensive Income March 31, 2024**

	Note No	March 31, 2024	March 31, 2023
		S\$	S\$
Revenue from operations	4	50,42,218	64,76,196
Other income	5	41,678	26,176
Total income		50,83,896	65,02,372
Cost and expenses			
Cost of services	6	42,40,324	61,35,395
Depreciation of property, plant and equipment		391	1,128
Employee benefits expense	7	3,81,789	5,69,296
Other operating expenses	8	4,11,042	3,59,782
Total cost and expenses		50,33,545	70,65,602
Profit/(loss) before tax		50,351	(5,63,229)
Income tax expense/(reversal)	9	3,42,537	(1,03,689)
Total comprehensive income/(loss) for the year		(2,92,187)	(4,59,540)
Attributable to equity holder of the Company			

(The accompanying accounting policies and explanatory notes form an integral part of these financial statements)

Mastek Systems (Singapore) Pte Ltd
Statement Of Changes In Equity For The Year Ended March 31, 2024

Particulars	Share Capital	Retained earnings	Total
	S\$	S\$	S\$
Balance as at April 01, 2021	1,00,000	11,77,399	12,77,399
Loss for the year, representing total comprehensive loss for the financial year	-	(12,22,154)	(12,22,154)
Balance as at March 31, 2022	1,00,000	(44,751)	55,245
Loss for the year, representing total comprehensive loss for the financial year		(4,59,540)	(4,59,540)
Balance as at March 31, 2023	1,00,000	(5,04,292)	(4,04,292)
Loss for the year, representing total comprehensive loss for the financial year		(2,92,187)	
Balance as at March 31, 2024	1,00,000	(7,96,478)	(4,04,292)

Mastek Systems (Singapore) Pte Ltd**Statement of cash flow for the financial year ended March 31, 2024**

	March 31, 2024	March 31, 2023
	S\$	S\$
Cash flows from operating activities		
Profit/(loss) before income tax	50,351	(5,63,229)
Adjustments for:		
Depreciation of property, plant and equipment	1,912	1,128
Operating cash flow before working capital changes	1,83,115	(5,62,101)
Changes in working capital:		
Trade and other receivables	(2,88,756)	(7,73,581)
Trade and other payables	(70,277)	23,34,972
Cash flows from operations	(1,75,919)	9,99,290
Tax paid	(10,362)	(1,843)
Net cash generated from / (used in) operating activities	(1,86,282)	9,97,447
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,041)	(1,128)
Net cash used in investing activities	(3,041)	(1,128)
Cash flows from financing activities		
Lease payments	-	-
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(1,89,323)	9,96,319
Cash and cash equivalents at the beginning of the year	11,34,250	1,37,931
Cash and cash equivalents at the end of the year	9,44,928	11,34,250

(The accompanying accounting policies and explanatory notes form an integral part of these financial statements)

Mastek Systems (Singapore) Pte Ltd

Notes to the Financial Statements for the year ended March 31, 2024

Note 10 : Property, Plant and Equipment

	Office equipment	Computer	Amount in S\$ Total
Gross Block			
As at March 31, 2022	750	15,561	16,311
Additions during the year		1,128	1,128
Disposals during the year			-
As at March 31, 2023	750	16,690	17,440
Additions during the year		3,042	3,042
Disposals during the year			-
As at March 31, 2024	750	19,732	20,482
Accumulated Depreciation			
As at March 31, 2022	750	15,561	16,311
Additions during the year		1,128	1,128
Disposals during the year			-
As at March 31, 2023	750	16,690	17,440
Additions during the year		1,912	1,912
Disposals during the year			-
As at March 31, 2024	750	18,601	19,351
Net Block			
As at March 31, 2023	-	(0.20)	(0.20)
As at March 31, 2024	-	1,130	1,130

Mastek Systems (Singapore) Pte Ltd

Notes to the Financial Statements for the year ended March 31, 2024

9 Income Taxes	As at	
	March 31, 2024	March 31, 2023
	S\$	S\$
a) Current tax liabilities		
Tax liability at the beginning of the year	-	-
Tax expense on profit for the year	-	-
Tax paid during the year	-	-
Tax provision {(over) / under} for prior years	-	-
Tax liability at the end of the year	-	-

b) Components of tax expense recognised during the year:	Year ended	
	March 31, 2024	March 31, 2023
Current tax expense	-	-
Withholding Tax	-	1,843
Tax provision {(over) / under} for prior years	10,362	-
Deferred tax credit	3,32,175	(1,05,532)
Income tax expense recognised	3,42,537	(1,03,689)

b) Relationship between income tax expense and accounting profit	Year ended	
	March 31, 2024	March 31, 2023
	S\$	S\$
Profit before tax	50,351	(5,63,229)
Doubtful Debs Unbill	1,30,852	
Unrealised Forex (Capital in Nature)	69,847	
Bad Debts	(79)	
Income before deducting Exempt Income	2,50,971	(5,63,229)
Less-Setoff	(2,50,971)	
Taxable Income	-	(5,63,229)
Tax calculated using Singapore tax rate 17%	-	(95,749)
Adjustments		
Tax provision {(over) / under} for prior years	10,362	(9,470)
Tax effect of non-deductible items	-	1,530
	10,362	(1,03,689)

Mastek Systems (Singapore) Pte Ltd
Notes to the Financial Statements for the year ended March 31, 2024

	As at	
	March 31, 2024	March 31, 2023
	S\$	S\$
11 Investment in subsidiary		
Unquoted investments at cost		
5,000 (previous year : 5,000) shares of Evosys Consultancy Services (Malaysia) Sdn Bhd	1,874	1,874
	<u>1,874</u>	<u>1,874</u>

Details of subsidiary are as follows :

	Country of incorporation	Principal Activities
Evosys Consultancy Services (Malaysia) Sdn Bhd	Malaysia	Software consultancy

The Company's ownership interest in Evosys Malaysia as at March 31, 2024 was 100% (March 31, 2023 : 100%).

	As at	
	March 31, 2024	March 31, 2023
	S\$	S\$
12 Accounts receivable, net		
Accounts receivable	9,42,378	20,20,493
Contract assets (refer note 4)	47,38,830	33,25,829
	<u>56,81,208</u>	<u>53,46,322</u>
Less : Allowance for expected credit losses	(2,29,629)	(98,856)
	<u>54,51,579</u>	<u>52,47,466</u>
Other receivables		
Advance to suppliers	-	57,273
Amount due from Subsidiary Company	40,973	-
Amount due from affiliates	11,131	8,357
Deposits	(723)	8,277
Prepayments	3,035	3,227
TDS receivable	-	23,492
	<u>54,416</u>	<u>1,00,626</u>
Total trade and other receivables	55,05,995	53,48,091
Add : Cash and cash equivalents (refer note 13)	-	11,34,250
Less : Prepayments	-	3,227
Less : Advance to suppliers	-	57,273
Total financial assets at amortised cost	55,05,995	64,21,841

Notes

(a) Amount due from third parties are non-interest bearing and are generally on 60 to 120 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Amount due from related company/ parties/ shareholders are non-trade related, unsecured, non-interest bearing, and are to be settled in cash.

Allowance for expected credit losses/ doubtful debts

The movement in allowance for expected credit losses/ doubtful debts of trade receivables and other receivables computed based on lifetime ECL is as follows:

	Year ended	
	March 31, 2024	March 31, 2023
	S\$	S\$
The movement of allowance for doubtful debts is as under:		
Opening balance	98,856	1,25,032
Add : Allowance for doubtful debts	1,30,852	-
Less : bad debts written back during the year	79	26,176
Closing balance	<u>2,29,629</u>	<u>98,856</u>

The details of the receivables ageing as at March 31, 2024 and March 31, 2023 is as follows:

	As at	
	March 31, 2024	March 31, 2023
	S\$	S\$
Not past due	3,63,109	8,05,173
Pass due less than 30 days	90,429	8,54,992
Pass due less than 31-60 days	74,558	1,42,582
Pass due less than 61-90 days	56,614	86,970
Pass due less than 91-180 days	1,70,259	31,920
Pass due more than 180 days	1,87,408	98,856
	<u>9,42,377</u>	<u>20,20,493</u>

13 Cash and cash equivalents

	As at	
	March 31, 2024	March 31, 2023
	S\$	S\$
Cash at Bank	9,44,928	11,34,250
	<u>9,44,928</u>	<u>11,34,250</u>

Mastek Systems (Singapore) Pte Ltd
Notes to the Financial Statements for the year ended March 31, 2024

14 Share Capital

	As at March 31, 2024	
	Number of shares	S\$
Ordinary shares, issued and fully paid up		
As at March 31, 2023	1,00,000	1,00,000
Issued during the year	-	-
As at March 31, 2024	1,00,000	1,00,000

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.

	As at	
15 Trade payables	March 31, 2024	March 31, 2023
	S\$	S\$
Trade payables		
- Third parties	(32,145)	50,491
- Ultimate Holding Company	6,14,142	83,409
- Holding Company	14,49,082	20,89,450
- Related parties	65,892	2,11,707
	20,96,972	24,35,058
Other payables		
Inter Company loan	48,52,545	39,67,417
Goods and service tax payable	11,479	80,558
Accruals	(16,676)	99,130
Contract liabilities (refer note 4)	2,31,497	6,63,932
	50,78,845	48,11,036
Total trade and other payables	71,75,817	72,46,094
Less Contract liabilities (refer note 4)	(2,31,497)	(6,63,932)
Total financial liabilities at amortised cost	69,44,320	65,82,162

Notes

(a) Trade payables are non interest bearing and have an average credit term of 30 to 120 days.

(b) The amount due to a related party is non-trade in nature, non-interest bearing and repayable on demand.

(c) The amount due to holding company is trade in nature, non-interest bearing and repayable on demand. These amounts are unsecured and are to be settled in cash.

Mastek Systems (Singapore) Pte Ltd
Notes to the Financial Statements for the year ended March 31, 2024

4 Revenue from operations	Year ended	
	March 31, 2024	March 31, 2023
	S\$	S\$
Service revenue recognised over time	50,42,218	64,76,196
	<u>50,42,218</u>	<u>64,76,196</u>

Contract assets and liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	As at	
	March 31, 2024	March 31, 2023
	S\$	S\$
Receivables from contracts with customers	7,12,749	19,21,637
Contract assets	47,38,830	33,25,829
Contract liabilities	(2,31,497)	(6,63,932)

	2024	2023
	S\$	S\$
Contract assets		
As at 01 April	33,25,829	24,38,234
Less : billed during the year	357061.0891	9,84,029
Add : contract assets for the year	17,70,062	18,71,624
As at 31 March	<u>47,38,830</u>	<u>33,25,829</u>

	2024	2023
	S\$	S\$
Contract liabilities		
As at 01 April	6,63,932	4,29,845
Less : revenue booked during the year	5,59,579	4,03,438
Add : contract liability for the year	1,27,144	6,37,525
As at 31 March	<u>2,31,497</u>	<u>6,63,932</u>

Mastek Systems (Singapore) Pte Ltd
Notes to the Financial Statements for the year ended March 31, 2024

16 Significant Related Party Transactions

Related party represents the shareholder, directors and Key management personnel of the Company and the entities controlled, jointly controlled or significantly influenced by such parties.

The name of the related party, their relationship, transactions and outstanding balances where control exists and with whom transactions have taken place during the reported period are as follows:

Name of parties	Relationship
Mastek Limited	Ultimate Holding Company
Mastek Enterprise Solutions Private Ltd	Holding Company
Mastek Systems (Malaysia) SDN. BHD.	Subsidiary Company
Mastek Systems Company Limited	Related Party
Taistech Inc	Related Party
Evolutionary Systems Consultancy LLC	Related Party
Mastek Systems Pty. Ltd.	Related Party
Mastek systems B.V.	Related Party
Evolutionary Systems Qatar WLL	Related Party
Mastek Arabia FZ-LLC	Related Party

Details of transactions during the year are as follows:

Name of the Party	Year ended	
	March 31, 2024	March 31, 2023
	S\$	S\$
Transactions during the year		
Professional services rendered		
Evosys Consultancy Services (Malaysia) Sdn Bhd.		-
Reimbursement of expenses		
Evosys Consultancy Services (Malaysia) Sdn Bhd.		-
Professional services received		
Mastek Enterprise Solutions Private Ltd	32,82,970	52,67,336
Evolutionary Systems Consultancy LLC	2,642	1,99,601
Taistech Inc	9,438	9,325
Mastek Limited	6,08,667	90,326
Mastek Arabia FZ-LLC	21,759	72,681
Interest paid		
Mastek Systems Company Limited	38435	5,950
Mastek Systems Pty. Ltd.	68199	13,490
Mastek systems B.V.	32564	10,037
Mastek Systems (Malaysia) SDN. BHD.	19741	2,702

Balances as the year end

	Nature of transactions	As at	
		March 31, 2024	March 31, 2023
		S\$	S\$
Mastek Systems (Malaysia) SDN. BHD.	Receivables	40,973	-
	Loan Payable	4,95,353	4,68,202
Mastek Enterprise Solutions Private Ltd	Payables	14,55,823	20,89,450
Mastek Arabia FZ-LLC	Payables	21,138	43,946
Taistech Inc	Payables	1,99,602	1,90,164
Taistech Inc	Receivables	6,075	6,075
Evolutionary Systems Consultancy LLC	Receivables	19,760	22,402
Mastek Limited	Receivables	1,40,144	2,282
Mastek Limited	Payables	6,07,401	83,409
Mastek Systems Company Limited	Loan Payable	15,98,143	6,70,747
Mastek Systems Pty. Ltd.	Loan Payable	18,38,198	17,41,993
Mastek systems B.V.	Loan Payable	9,20,851	10,86,474

17 Financial Risk Management

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

Mastek Systems (Singapore) Pte Ltd
Notes to the Financial Statements for the year ended March 31, 2024

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.

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 and other receivables. 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.

Trade receivables : As at March 31, 2024, the Company had a significant concentration of credit risk with four major customers accounting for 53.81 % (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.

Other receivables : As at March 31, 2024, the Company had a significant concentration of credit risk with one major receivable for 75% (March 31, 2023 : 53.51%) of net other receivables at that date. Management believes that this concentration of credit risk is mitigated because the outstanding balances as at March 31, 2024 are with subsidiary who have long-term relationship with the Company and March 31, 2023 are with subsidiary.

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

March 31, 2024	Gross carrying amount	Net carrying amount	Loss allowance
	S\$	S\$	S\$
Trade receivables and contract assets	56,81,208.20	54,51,579.20	2,29,629.00
Other receivables	54,415.73	-	-
March 31, 2023	Gross carrying amount	Net carrying amount	Loss allowance
	S\$	S\$	S\$
Trade receivables and contract assets	53,46,322	52,47,466	98,856
Other receivables	1,00,626	-	-

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.

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 interest rates. The Company's exposure to interest rate risk arises primarily from bank borrowings. In the absence of any bank borrowings, the interest rate risk is minimum.

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 effect of the changes in foreign currency is not expected to have a material impact on the Company's net result.

Mastek Systems (Singapore) Pte Ltd
Notes to the Financial Statements for the year ended March 31, 2024
Classification of Financial Instruments

	As at	
	March 31, 2024	March 31, 2023
Financial assets	S\$	S\$
Trade receivables and contract assets (Note 12)	54,51,579.20	52,47,466
Cash and cash equivalents (Note 13)	9,44,927.79	11,34,250
Other receivables (Note 12)	54,415.73	97,399
Total financial assets measured at amortised cost	64,50,921.72	64,79,113
Financial liabilities		
Trade and other payables (Note 15)	69,44,320	65,82,162
Total financial liabilities measured at amortised cost	69,44,320	65,82,162

18 Fair value of assets and liabilities

Fair value hierarchy

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19 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 and retained earnings.

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

20 Subsequent events

There were no material adjusting or non-adjusting events that occurred from the date of the financial statements upto the date of authorization of these financial statements.

