# INTRASOFT VENTURES PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200706172G)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018
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**JACHIN PUBLIC ACCOUNTING CORPORATION**
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE

**INTRASOFT VENTURES PTE. LTD.**
(Incorporated in the Republic of Singapore)
(Company Registration No: 200706172G)

## DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31st March 2018.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements set out on pages 6 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards; 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 in office at the date of this report are:-

KAJARIA ARVIND
NG KOI NOIE
BHALOTIA VISHNU

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year and their interests in the share capital or debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 were as follows:-

| Name of Directors and Companies in which Interests are held | Number of Shares As at 01/04/2017 | Number of Shares As at 31/03/2018 |
|---|---|---|
| The Company INTRASOFT VENTURES PTE. LTD. | | |
| KAJARIA ARVIND | - | - |
| NG KOI NOIE | - | - |
| BHALOTIA VISHNU | - | - |
| Holding Company INTRASOFT TECHNOLOGIES LIMITED | | |
| KAJARIA ARVIND | 2,800,014 | 2,800,014 |
| NG KOI NOIE | - | - |
| BHALOTIA VISHNU | - | - |

By virtue of Section 7 of the Singapore Companies Act, Mr Kajaria Arvind is deemed to have an interest in the shares of the Company and its subsidiary.

5. SHARE OPTIONS

During the year, no option to take up unissued shares of the Company has been granted, and there were no shares issued by virtue of the exercise of options. As at 31st March 2018, there were no unissued shares under option outstanding.

6. INDEPENDENT AUDITORS

The independent auditors, JACHIN PUBLIC ACCOUNTING CORPORATION, have expressed their willingness to accept re-appointment.

On behalf of the Board

Ng Koi Noie
NG KOI NOIE
Director

BHALOTIA VISHNU
Director

SINGAPORE
3 0 APR 2018

**JACHIN PUBLIC ACCOUNTING CORPORATION**
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS, SINGAPORE
(Company Registration No: 201200048H)

3 Shenton Way #12-06 Shenton House Singapore 068805 Tel: (65) 62227275 Fax: (65) 62226926

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**
**INTRASOFT VENTURES PTE. LTD.**
(Incorporated in the Republic of Singapore)
(Company Registration No: 200706172G)

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

**Opinion**

We have audited the financial statements of INTRASOFT VENTURES PTE. LTD., which comprise the statement of financial position as at 31st March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31st March 2018 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 Statement by Directors but does not include the financial statements and our auditor's report thereon.

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

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**
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(2)

**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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**
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(3)

- 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.

JACHIN PUBLIC ACCOUNTING CORPORATION CHARTERED ACCOUNTANTS SINGAPORE *

JACHIN PUBLIC ACCOUNTING CORPORATION
*PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS*

SINGAPORE
30 APR 2018

# INTRASOFT VENTURES PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200706172G)

## STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2018

| | NOTE | 2018<br>S$ | 2017<br>S$ |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Investment in subsidiary | 4 | 1,352,570 | 1,352,570 |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 5 | 48,162 | 12,879 |
| | | 48,162 | 12,879 |
| LESS: **CURRENT LIABILITIES** | | | |
| Accruals | 6 | 5,200 | 6,200 |
| | | 5,200 | 6,200 |
| **NET CURRENT ASSETS** | | 42,962 | 6,679 |
| | | 1,395,532 | 1,359,249 |
| **REPRESENTING:** | | | |
| **EQUITY** | | | |
| Share capital | 7 | 1,450,000 | 1,400,000 |
| Accumulated loss | | (54,468) | (40,751) |
| | | 1,395,532 | 1,359,249 |

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

**INTRASOFT VENTURES PTE. LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No: 200706172G)

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31ST MARCH 2018

| | NOTE | 2018 | 2017 |
|---|---|---|---|
| | | S$ | S$ |
| **REVENUE** | | | |
| Interest income on loan | 8 | - | 20,950 |
| | | - | 20,950 |
| Administrative expenses | | (13,717) | (23,402) |
| Finance expenses | | - | (19,289) |
| **LOSS BEFORE TAX** | 9 | (13,717) | (21,741) |
| Income tax | 10 | - | (19,030) |
| **LOSS FOR THE YEAR** | | (13,717) | (40,771) |
| Other comprehensive loss for the year, net of tax | | - | - |
| **TOTAL COMPREHENSIVE LOSS FOR THE YEAR** | | (13,717) | (40,771) |

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

**INTRASOFT VENTURES PTE. LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No: 200706172G)

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31ST MARCH 2018**

| | SHARE CAPITAL | ACCUMULATED LOSS | TOTAL |
|---|---|---|---|
| | S$ | S$ | S$ |
| 2018 | | | |
| **BALANCE AS AT 1ST APRIL 2017** | 1,400,000 | (40,751) | 1,359,249 |
| Total comprehensive loss | | | |
| Net loss for the year | - | (13,717) | (13,717) |
| Other comprehensive loss for the year, net of tax | - | - | - |
| **Total comprehensive loss for the year** | - | (13,717) | (13,717) |
| Contributions by and distributions to owners | | | |
| Issue of 50,000 ordinary shares | 50,000 | - | 50,000 |
| **Total transactions with owners** | 50,000 | - | 50,000 |
| | | | - |
| **BALANCE AS AT 31ST MARCH 2018** | 1,450,000 | (54,468) | 1,395,532 |
| 2017 | | | |
| **BALANCE AS AT 1ST APRIL 2016** | 1,400,000 | 20 | 1,400,020 |
| Total comprehensive loss | | | |
| Net loss for the year | - | (40,771) | (40,771) |
| Other comprehensive loss for the year, net of tax | - | - | - |
| **Total comprehensive loss for the year** | - | (40,771) | (40,771) |
| Contributions by and distributions to owners | | | |
| **Total transactions with owners** | - | - | - |
| | | | - |
| **BALANCE AS AT 31ST MARCH 2017** | 1,400,000 | (40,751) | 1,359,249 |

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

**INTRASOFT VENTURES PTE. LTD.**

(Incorporated in the Republic of Singapore)

(Company Registration No: 200706172G)

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 31ST MARCH 2018

| | NOTE | 2018 | 2017 |
|---|---|---|---|
| | | S$ | S$ |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **LOSS BEFORE TAX** | | (13,717) | (21,741) |
| Adjustments for: | | | |
| Interest income | | - | (20,950) |
| Interest expense | | - | 19,289 |
| **OPERATING LOSS BEFORE WORKING CAPITAL CHANGES** | | (13,717) | (23,402) |
| Other receivables | | - | 91,856 |
| Accruals | | (1,000) | (14,452) |
| **NET CASH (USED IN)/GENERATED FROM OPERATIONS** | | (14,717) | 54,002 |
| Tax paid - foreign withholding tax | | - | (19,275) |
| - local tax | | - | (602) |
| **NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES** | | (14,717) | 34,125 |
| | | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Loan to subsidiary - repayment/(proceeds) | | - | 673,200 |
| Interest income | | - | 20,950 |
| **NET CASH GENERATED FROM INVESTMENT ACTIVITIES** | | - | 694,150 |
| | | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | 7 | 50,000 | - |
| Loan from holding company - repayment | | - | (715,000) |
| Interest expense | | - | (19,289) |
| **NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES** | | 50,000 | (734,289) |
| | | | |
| **NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS** | | 35,283 | (6,014) |
| **CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR** | | 12,879 | 18,893 |
| **CASH AND CASH EQUIVALENTS AT END OF YEAR** | 5 | 48,162 | 12,879 |

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

**INTRASOFT VENTURES PTE. LTD.**
(Incorporated in the Republic of Singapore)
(Company Registration No: 200706172G)

**NOTES ON THE FINANCIAL STATEMENTS – 31ST MARCH 2018**

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

1. GENERAL

The Company is incorporated in Singapore with its registered office address and principal place of business at 391B Orchard Road, #23-01 Ngee Ann City Tower B, Singapore 238874.

The principal activities of the Company are those of Online Greetings, IT enabled services and investment holding. The Company did not trade during the financial year.

The principal activities of the subsidiary are disclosed in Note 4 to the financial statements.

The immediate and ultimate holding company is Intrasoft Technologies Limited, incorporated in India.

The financial statements of the Company for the year ended 31st March 2018, were authorised for issue by the directors on 30 APR 2018 .

2. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements:-

(a) BASIS OF PREPARATION

These financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) including related interpretations, and the provisions of the Singapore Companies Act.

The financial statements are presented in Singapore Dollar. They are prepared on the historical cost basis except for certain financial assets and financial liabilities which are stated at their fair values.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates are based on management's best knowledge of current events and actions and the actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) BASIS OF PREPARATION (CONT'D)

**Adoption of New and Revised Standards**

In the current financial period, the Company had adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1st April 2016. The adoption of these new/revised FRSs and INT FRSs has no material effect on the amounts reported for the current financial period.

(b) BASIS OF CONSOLIDATION

The financial statements of the subsidiary have not been consolidated with the Company's financial statements as the Company itself is a wholly-owned subsidiary of Intrasoft Technologies Limited, incorporated in India, which prepares consolidated financial statements which are available and kept at its business address at 502A, Prathamesh, Raghuvanshi Mills Compound, Senapati Bapat Marg, Lower Parel. Mumbai 400013

(c) SUBSIDIARY

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investments in subsidiary in the financial statements of the Company are carried at cost, less impairment in net recoverable value that has been recognised in profit or loss, if any.

(d) TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(e) CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and cash with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(f) OTHER PAYABLES AND ACCRUALS

Other payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Revenue is presented, net of taxes, rebates and discounts. Revenue is recognised as follows:-

(i) SALE OF GOODS

Sale of goods - revenue from sale of goods is recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectibility of the related receivables is reasonably assured.

(ii) SERVICES INCOME

Services income - services income is recognised upon the completion of services performed and acceptance by customers.

(iii) INTEREST INCOME

Interest income is recognised using the effective interest method.

(h) PROVISIONS

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

(i) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (j) INCOME TAXES

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all deductible temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted at the balance sheet date.

### (k) RELATED PARTIES

A related party is a person or entity that is related to the Company.

Parties are considered to be related if (a) a person or a close member of that person's family is related to a reporting entity, if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if (i) the entity and the reporting entity are members of the same group; (ii) one entity is an associate or joint venture of the other entity; (iii) both entities are joint ventures of the same third party; (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity; (iv) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (v) the entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) IMPAIRMENT OF ASSETS

At each balance sheet date, the Company reviews the carrying amounts of its assets so as to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in the profit or loss statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) FUNCTIONAL AND PRESENTATION CURRENCY

The company's accounting records are maintained in Singapore Dollar. The functional currency of the Company is the Singapore Dollar as it reflects the economic substance of the underlying events and circumstances of the Company's transaction. Transactions in foreign currencies that are not denominated in Singapore Dollar are recorded using the rates ruling at the dates of the transactions. At each balance sheet date, recorded monetary balances and balances carried at fair value that are not denominated in Singapore Dollar are reported at the rates ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. All realised and unrealised exchange adjustment gains and losses are dealt with in the profit or loss statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents, trade and other receivables and payables.

FINANCIAL ASSETS

The Company initially recognises financial assets on the date that they are originated.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

FINANCIAL LIABILITIES

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In the process of applying the Company's accounting policies, the management is of the opinion that there is no instance of application of judgements which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described below.

<u>Functional Currency</u>

*FRS 21 The Effects of Changes in Foreign Exchange Rates* requires the Company determine its functional currency to prepare the financial statements. When determining its functional currency, the Company considers the primary economic environment in which it operates i.e. the one in which it primarily generates and expends cash. The Company may also consider the funds from financing activities are generated. Management applied its judgement and determined that the functional currency of the Company is Singapore dollar on the basis that its funding is denominated in Singapore dollar and it expects its transactions to be in Singapore dollar.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:-

Investment in Subsidiary

Investment in subsidiary is stated at cost less impairment loss. The Company follows the guidance of *FRS 36 Impairment of Assets* to determine when its investment in subsidiary is impaired. This determination requires significant judgement and estimates. In making this judgement, the Company evaluates, among other factors, the market and economic environment in which the subsidiary operates, and economic performance of this entity.

Impairment of Receivables

The Company assesses at each balance sheet date whether there is any objective evidence that a receivable is impaired. The Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. When there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of trade, intercompany and other receivables are disclosed in the balance sheet.

4. INVESTMENT IN SUBSIDIARY

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Unquoted equity shares, at cost | 1,352,570 | 1,352,570 |
| | ======= | ======= |

Details of the Company's subsidiaries are as follows:-

| Name of subsidiary | Country of Incorporation and operation | Proportion of ownership interest and voting power held | | Principal activity |
|---|---|---|---|---|
| | | 2018 | 2017 | |
| Held by Company<br>123Stores, Inc.* | State of Delaware, USA | 100% | 100% | E-commerce Operations |
| Held by Subsidiary<br>123Stores E Commerce Private Limited+ | India | 100% | 100% | IT Enabled Services |

* Audited by Grant Thornton India LLP
+ Audited by J.B.S. & Company, Chartered Accountants, India

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are denominated in Singapore dollar and comprise the following:-

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Cash at bank | 48,162 | 12,879 |
| | ====== | ====== |

6. ACCRUALS

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Accruals | 5,200 | 6,200 |
| | ====== | ====== |

Accruals are denominated in Singapore dollar.

7. SHARE CAPITAL

| | ------------ 2018 ------------ | | ------------ 2017 ------------ | |
|---|---|---|---|---|
| | No. of Shares | S$ | No. of Shares | S$ |
| Issued and fully paid:- | | | | |
| Balance at beginning of year | 1,400,000 | 1,400,000 | 1,400,000 | 1,400,000 |
| Issued during the year | | | | |
| 50,000 ordinary shares | 50,000 | 50,000 | - | - |
| | ------------ | ------------ | ------------ | ------------ |
| Balance at end of year | 1,450,000 | 1,450,000 | 1,400,000 | 1,400,000 |
| | ======= | ======= | ======= | ======= |

During the financial year, the Company issued 50,000 ordinary shares to holding company for cash consideration of S$50,000 for working capital.

The Company has one class of ordinary shares with no par value and carry no right to fixed income.

8. REVENUE

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Interest income on loan | - | 20,950 |
| | ====== | ====== |

## 9. LOSS FROM OPERATIONS

This is arrived at after charging:-

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Auditors' remuneration | 4,000 | 5,000 |
| Professional and legal fees | 7,990 | 8,040 |
| Interest expense | - | 19,289 |
| Exchange loss | - | 7,703 |
| | ====== | ====== |

## 10. TAXATION

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Local taxation | | |
| - current | - | - |
| - over-provision in prior year | - | (245) |
| Foreign withholding tax paid | - | 19,275 |
| | ---------- | ---------- |
| | - | 19,030 |
| | ====== | ====== |

Reconciliation of effective tax rate:-

| | 2018 | 2017 |
|---|---|---|
| | S$ | S$ |
| Loss before tax | (13,717) | (21,741) |
| | ====== | ====== |
| Income tax using Singapore tax rate of 17% (2017 : 17%) | (2,332) | (3,696) |
| Amount not taxable | - | (282) |
| Tax loss disallowed | 2,332 | 3,978 |
| (Over)/under-provision in prior year | - | (245) |
| Foreign withholding tax paid | - | 19,275 |
| | ---------- | ---------- |
| | - | 19,030 |
| | ====== | ====== |

## 11. RELATED PARTY TRANSACTIONS AND BALANCES

The Company has significant transactions with related party on terms agreed between the parties as follows:-

| | 2018 | | | 2017 | | |
|---|---|---|---|---|---|---|
| | Total Billed S$ | Amount Paid in Current FY S$ | Balance Outstanding as at 31/03/2018 S$ | Total Billed S$ | Amount Paid in Current FY S$ | Balance Outstanding as at 31/03/2017 S$ |
| Professional fees paid and payable to a Company in which a director has interest | 7,990 | (7,990) | - | 8,040 | (8,040) | - |
| Interest on loans paid and payable to holding company (Intrasoft Technologies Limited) | - | - | - | 19,289 | (19,289) | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| Receivable from subsidiary [123Stores, Inc. (Delaware, USA)] | | | | | | |
| - Loan arrangement fee | - | - | - | - | - | - |
| - Interest on loan | - | - | - | 20,950 | (20,950) | - |
| | - | - | - | 20,950 | (20,950) | - |

## 12. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of the risks.

### (a) FOREIGN CURRENCY RISK

The Company manages its foreign currency risk arising from cash flows from anticipated transactions denominated in foreign currencies by maintaining adequate foreign currencies balances.

The Company has no foreign currency transactions exposure for the financial year.

12. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) INTEREST RATE RISK

The Company has no significant exposure to interest rate risk through the impact of interest rates changes on interest-bearing assets and liabilities.

The Company has cash balances placed with creditworthy financial institutions as follows:-

| | Variables rates | | |
|---|---|---|---|
| | Less than 12 months | 1 to 5 years | Over 5 years |
| | S$ | S$ | S$ |
| At 31st March 2018 | | | |
| Assets | | | |
| Cash and cash equivalents | 48,162 | - | - |
| At 31st March 2017 | | | |
| Assets | | | |
| Cash and cash equivalents | 12,879 | - | - |

(c) CREDIT RISK

The Company has no significant concentrations of credit risk. Cash and bank balance are placed with the reputable institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset presented on the balance sheet. The Company adopts the policy of dealing only with high credit quality counterparties. In addition, receivables balance are monitored on an on-going basis which the result that the Company's exposure to the bad debts is not significant.

12. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) LIQUIDITY RISK

The Company monitors its liquidity risk and maintains a level of cash & cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The analysis of maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows is as follows:-

| | | Contracted undiscounted cash flows | | | |
|---|---|---|---|---|---|
| | Carrying amount S$ | Total S$ | Less than 1 year S$ | Between 1 and 5 Years S$ | Over 5 years S$ |
| At 31st March 2018 | | | | | |
| Accruals | 5,200 | 5,200 | 5,200 | - | - |
| | ======= | ======= | ======= | ====== | ====== |
| At 31st March 2017 | | | | | |
| Accruals | 6,200 | 6,200 | 6,200 | - | - |
| | ======= | ======= | ======= | ====== | ====== |

(e) FAIR VALUES

The carrying amount of financial assets and financial liabilities recorded in the financial statements represent their respective net fair values.

## 13. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Comparisons by category of carrying amounts of the Company's financial instruments that are carried in the financial statements are as follows:-

| At 31st March 2018 | Loans and Receivables S$ |
|---|---|
| Assets | |
| Cash and cash equivalents | 48,162 |
| | ======= |

| | Liabilities at amortised cost S$ |
|---|---|
| Liabilities | |
| Accruals | 5,200 |
| | ======= |

| At 31st March 2017 | Loans and Receivables S$ |
|---|---|
| Assets | |
| Cash and cash equivalents | 12,879 |
| | ======= |

| | Liabilities at amortised cost S$ |
|---|---|
| Liabilities | |
| Accruals | 6,200 |
| | ======= |

## 14. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares, adjust the dividend payment to shareholders or return capital to shareholders.

The Company is not subject to any externally imposed capital requirements.

THE FOLLOWING SCHEDULE DOES NOT FORM PART OF
THE AUDITED STATUTORY FINANCIAL STATEMENTS

# INTRASOFT VENTURES PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 200706172G)

## DETAILED PROFIT OR LOSS ACCOUNT
## FOR THE YEAR ENDED 31ST MARCH 2018

| | 2018 S$ | 2017 S$ |
|---|---|---|
| REVENUE | | |
| Interest income on loan | - | 20,950 |
| | - | 20,950 |
| LESS: OPERATING EXPENSES | | |
| ADMINISTRATIVE EXPENSES | | |
| Auditors' remuneration | 4,000 | 5,000 |
| Bank charges | 90 | 776 |
| Dues and subscription | - | 321 |
| Exchange loss | - | 7,703 |
| General expenses | 60 | 60 |
| Printing, postage and stationery | 312 | 237 |
| Legal and professional fees | 7,990 | 8,040 |
| Tax service fee | 1,200 | 1,200 |
| Transport | 65 | 65 |
| | 13,717 | 23,402 |
| FINANCE EXPENSES | | |
| Interest expense | - | 19,289 |
| | - | 19,289 |
| TOTAL OPERATING EXPENSES | 13,717 | 42,691 |
| NET LOSS FOR THE YEAR | (13,717) | (21,741) |