

INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.

(Incorporated in Singapore)

Co. Reg. No: 200517154K

Financial Statements for the year ended
31 March 2019

Corporate Assurance PAC
Public Accountants and
Chartered Accountants

Directors

Anoj Viswanathan
Jayesh Arvind Parekh
Mayukh Choudhury
Saurabh Manoj Nanavati

Secretary

Nigel Joseph Abraham

Registered Office

79 Ayer Rajah Crescent #04-08
Singapore 139955

Banker

DBS Bank Ltd

Auditor

Corporate Assurance PAC
Public Accountants and Chartered Accountants
33 Ubi Avenue 3
#06-06 Vertex
Singapore 408868

CONTENTS	PAGE
Directors' Statement	2
Independent Auditor's Report	4
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

The directors are pleased to present their statement to the member together with the audited financial statements of Inclusive Planet Technologies Pte. Ltd. (the "company") for the financial year ended 31 March 2019.

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 2019 and the financial performance, change 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.

Directors

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

Anoj Viswanathan
Jayesh Arvind Parekh
Mayukh Choudhury
Saurabh Manoj Nanavati

Directors' interest in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital of the company or other related body corporate as recorded in the register of director's shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of director	At beginning of financial year	At the end of financial year	At beginning of financial year	At the end of financial year
	<u>Ordinary shares</u>		<u>Preference shares</u>	
The parent company				
– Milaap Social Ventures Pte. Ltd.				
Anoj Viswanathan	2,021,595	2,021,595	-	-
Jayesh Arvind Parekh	-	-	160,000	160,000
Mayukh Choudhury	1,818,407	1,818,407	-	-
Saurabh Manoj Nanavati	157,303	157,303	469,470	469,470

Arrangement to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the financial year nor at any time during the year did there subsist any arrangements to which the company is a party, being arrangements 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 or debentures of the company or any other body corporate.

Options

During the reporting year, no option to take up unissued shares of the company was granted.

During the reporting year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

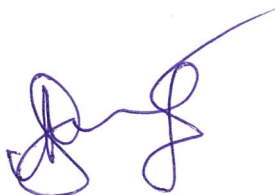
At the end of the reporting year, there were no unissued shares under option.

Independent auditor

Corporate Assurance PAC has expressed its willingness to accept re-appointment as auditor.

The board of directors approved and authorised these financial statements for issue.

On behalf of the Board of Directors



Anoj Viswanathan
Director

Singapore

11 December 2019



Mayukh Choudhury
Director

Independent Auditor's Report
To the member of INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.
Reg No.: 200517154K

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of INCLUSIVE PLANET TECHNOLOGIES PTE. LTD. (the "company"), which comprise the statement of financial position of the company as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the reporting year then ended, and notes to the financial statements, including the 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 the Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the 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 matter

The financial statements for the year ended 31 March 2018 was qualified on the classification of other payables – non-current, where the funds received from individual lenders through microlending platform from prior years as management was of the opinion that the company has the obligation to return these funds to the individual lenders.

During the reporting year, management has put up policies to determine the criteria in recognizing such inactive funds from the individual lenders over certain period. Our opinion is not qualified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the statement by director 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 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.

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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

- e) 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 director 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.



Corporate Assurance PAC
Public Accountants and
Chartered Accountants

Singapore

11 December 2019

INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2019

	Note	2019 INR	2018 INR
Revenue	4	19,549,937	37,703,534
Other income	5	3,225,719	-
Administrative expenses		(9,672,047)	(2,332,506)
Other expenses	6	-	(13,459,585)
Finance costs	7	(3,909,056)	(2,009,855)
Profit before tax	8	9,194,553	19,901,588
Income tax expense	9	-	-
Profit for the year, representing total comprehensive income for the year		<u>9,194,553</u>	<u>19,901,588</u>

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

INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.
Statement of Financial Position as at 31 March 2019

	Note	2019 INR	2018 INR
Non-current assets			
Investment in a subsidiary	10	695	695
Other receivables, non-current	11	306,060,524	244,372,666
Total non-current assets		306,061,219	244,373,361
Current assets			
Trade and other receivables	12	98,614,179	124,843,452
Deposits		24,831	24,831
Cash and cash equivalents	13	10,546,199	153,206
Total current assets		109,185,209	125,021,489
Total assets		415,246,428	369,394,850
Equity and liabilities			
Share capital	14	5,015,822	5,015,822
Retained earnings		16,349,101	7,154,548
Total equity		21,364,923	12,170,370
Non-current liabilities			
Other payables, non-current	15	152,383,971	169,501,596
Current liabilities			
Trade and other payables	16	241,497,534	187,722,884
Total liabilities		393,881,505	357,224,480
Total equity and liabilities		415,246,428	369,394,850

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

INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.

Statement of Changes in Equity for the year ended 31 March 2019

	Share capital	Retained earnings (Accumulated Losses)	Total
	INR	INR	INR
Balance at 1 April 2017	5,015,822	(12,747,040)	(7,731,218)
Total comprehensive income for the year	-	19,901,588	19,901,588
Balance at 31 March 2018	5,015,822	7,154,548	12,170,370
Total comprehensive income for the year	-	9,194,553	9,194,553
Balance at 31 March 2019	5,015,822	16,349,101	21,364,923

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

INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.

Statement of Cash Flows for the year ended 31 March 2019

	2019 INR	2018 INR
Cash flows from operating activities		
Profit before tax	9,194,553	19,901,588
Adjustment for:		
Interest expenses	<u>3,909,056</u>	<u>2,009,855</u>
Operating cash flows before working capital changes	13,103,609	21,911,443
Trade and other receivables	26,229,273	(115,157,056)
Trade and other payables	<u>53,774,650</u>	<u>101,082,661</u>
Net cash flows from operating activities	<u>93,107,532</u>	<u>7,837,048</u>
Cash flows from financing activities		
Interest paid	(3,909,056)	(2,009,855)
Other receivables, non-current	(61,687,858)	(6,744,939)
Other payables, non-current	<u>(17,117,625)</u>	<u>(8,028,990)</u>
Net cash flows used in financing activities	<u>(82,714,539)</u>	<u>(16,783,784)</u>
Net increase (decrease) in cash and cash equivalents	10,392,993	(8,946,736)
Cash and cash equivalents at beginning of the year	<u>153,206</u>	<u>9,099,942</u>
Cash and cash equivalents at end of the year (Note 13)	<u>10,546,199</u>	<u>153,206</u>

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

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

1. GENERAL

The company is a limited liability company, incorporated and domiciled in the Republic of Singapore with the registered office at 79 Ayer Rajah Crescent #04-08 Singapore 139955.

The principal activities of the company are to operate a web portal to enable individuals to help low income entrepreneurs and to provide microfinancing to create social impact.

The financial statements were authorised for issue in accordance with a resolution of the directors on the date of directors' statement.

Parent company

The company is 100% owned by Milaap Social Ventures Pte. Ltd., a company incorporated in Singapore, which is also its ultimate parent company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

The financial statements of the company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). 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 Indian Rupee (INR), which is the company's functional currency.

Going concern assumption used by the company

The company's current liabilities have exceeded its current assets. The financial position of the company, its cash flows, liquidity position and borrowings operation are as described in the notes to the financial statements. The company has considerable finance resources together other arrangement mainly funds from the individual/ institutional lenders in sustaining its operation. As a consequence, the management believes that the company is well placed to manage its business risks and has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the management continues to adopt the going concern basis in preparing the financial statements.

2.2 Basis of presentation

The Company is exempted from the requirement to prepare consolidated financial statements as the Company is a wholly owned subsidiary of Milaap Social Ventures Pte. Ltd., a Singapore-incorporated company which produces consolidated financial statements. The registered office of Milaap Social Ventures Pte. Ltd., where those consolidated financial statements can be obtained, is as follow: 79 Ayer Rajah Crescent #04-08 Singapore 139955.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Adoption of new and revised Singapore Financial Reporting Standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the company has adopted all the new and revised standards which are relevant to the company and are effective for annual financial years beginning on or after 1 April 2018. The adoption of these standards did not have any material effect on the financial statements.

2.4 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2018, and have not been applied in preparing these financial statements. The company does not plan to early adopt these standards.

The following standards that have been issued but yet effective are as follows:

<u>Descriptions</u>	<u>Effective for annual periods beginning on or after</u>
FRS 116 Leases	1 January 2019
Annual Improvements to FRSs (March 2018)	1 January 2019

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

2.5 Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company does not has any debt instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Financial instruments (cont'd)

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.

Investments in equity instruments

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

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables, and borrowings.

Derecognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

2.7 Foreign currency transactions and balances

During the reporting year, the company has changed its function currency to Indian Rupee ('INR') using the exchange rate of S\$1 = INR49.6616 as at 1 April 2018. Management is of the opinion that INR is representing its functional currency as it reflects the primary economic environment in which the company operates.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the company's capital management.

2.9 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 risk 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.

2.11 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.

2.12 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.

2.13 Revenue recognition

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Revenue recognition (Cont'd)

Interest income or expenses is recognised using the effective interest method.

Grant income is recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

2.14 Taxes

i) 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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.

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Related parties

A related party is defined as follows:

- (aa) A person or a close member of that person's family is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or of a parent of the company.
- (bb) An entity is related to the company if any of the following conditions apply:
 - (i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefits plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (aa);
 - (vii) A person identified in (aa) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgments, 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.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT')

3.1 Judgments made in applying accounting policies

Fund received from individual/ institutional lenders

The fund received from individual/ institutional lenders for the microlending platform are recorded under other payables by the company. In addressing if these lenders would recall their borrowings from the company, management considers, among other factors, the communication and historical activities of users utilising the platform to monitor their credit place with the company. A review is made by management to consider recognition of these credits as other operating income if those users are inactive in utilising their credit in their platform.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of loans and receivables

The impairment of other receivables and loan to outside party is based on the repayment terms and management's continuous evaluation of recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, allowances for impairment may be required. The carrying amounts of the Company's loan to outside party as at 31 March 2019 were disclosed to the notes to other receivables.

4. REVENUE

	<u>2019</u> INR	<u>2018</u> INR
Interest income	10,865,733	10,543,257
Grant income	-	27,160,277
Other income	8,684,204	-
	<u>19,549,937</u>	<u>37,703,534</u>

5. OTHER INCOME

	<u>2019</u> INR	<u>2018</u> INR
Foreign currency exchange gain	<u>3,225,719</u>	<u>-</u>

6. OTHER EXPENSES

	2019 INR	2018 INR
Foreign currency exchange loss	<u>-</u>	<u>13,459,585</u>

7. FINANCE COSTS

	2019 INR	2018 INR
Interest expenses	<u>3,909,056</u>	<u>2,009,855</u>

8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the followings:

	2019 INR	2018 INR
Platform fees	<u>7,670,797</u>	<u>2,009,755</u>

9. INCOME TAX EXPENSE

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2018: 17%) to profit or loss before income tax as a result of the following differences: -

	2019 INR	2018 INR
Profit before tax	<u>9,194,553</u>	<u>19,901,588</u>
Income tax expense at the above rate	1,563,074	3,383,270
Tax incentives	(1,314,216)	(2,027,834)
Others	<u>(248,858)</u>	<u>(1,345,436)</u>
Total income tax expense	<u>-</u>	<u>-</u>

10. INVESTMENT IN A SUBSIDIARY

	2019	2018
	INR	INR
Carrying value comprising:		
Unquoted equity shares, at cost	<u>695</u>	<u>695</u>
Analysis of above amount denominated in non-functional currency:		
US Dollar	<u>695</u>	<u>695</u>

Name of subsidiary, country of incorporation,
place of operations and principal activities

Percentage of equity
held by company

	2019	2018
	%	%
Inclusive Planet Technologies USA, Inc # USA		
Funding bona-fide microcredit activities in India raised from individuals through crowdfunding platforms	<u>100</u>	<u>100</u>

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11. OTHER RECEIVABLES, NON-CURRENT

	2019	2018
	INR	INR
<u>Other receivables:</u>		
Outside party	-	192,439
Related party	<u>306,060,524</u>	<u>244,180,227</u>
	<u>306,060,524</u>	<u>244,372,666</u>

The purpose of loans to a related party is to facilitate microfinance programs among partnering organisations as deemed fit by the related party. The amounts were released from December 2013 to May 2018 to the outside party and repayment terms are in accordance to the repayment schedule ranges from March 2018 to Jan 2023. The loan is bearing interest ranging 0% to 3.5% and unsecured. Management is of the opinion that the carrying value shown representing the fair value.

	2019	2018
	INR	INR
<u>Movements in loan to a related party:</u>		
Balance at beginning of the year	244,180,227	237,435,288
Disbursements	151,800,000	232,108,138
Repayments	(119,327,250)	(122,050,732)
Interest income recognised to profit or loss included in revenue (Note 4)	10,865,733	10,543,257
Exchange difference	18,541,814	-
Reclassification to other receivables, current (Note 12)	-	(113,855,724)
Balance at end of the year	<u>306,060,524</u>	<u>244,180,227</u>

12. TRADE AND OTHER RECEIVABLES

	<u>2019</u> INR	<u>2018</u> INR
<u>Trade receivables:</u>		
Outside parties	<u>3,833,712</u>	<u>1,618,273</u>
<u>Other receivables:</u>		
Related party (Note 11)	84,690,206	113,855,724
Subsidiary (Note 2)	9,369,431	9,369,455
Parent company	562,707	-
Director	<u>158,123</u>	<u>-</u>
Sub-total	<u>94,780,467</u>	<u>123,225,179</u>
Total trade and other receivables	<u>98,614,179</u>	<u>124,843,452</u>

The credit period on trade receivables are generally 30 to 90 days (2018: 30 to 90 days).

Trade receivables which are past due but not impaired are unsecured and the analysis of their ageing at the reporting date were as follows:

	<u>2019</u> INR	<u>2018</u> INR
<u>Past due:</u>		
> 180 days	<u>3,833,712</u>	<u>1,618,273</u>

13. CASH AND CASH EQUIVALENTS

	<u>2019</u> INR	<u>2018</u> INR
Not restricted in use	<u>10,546,199</u>	<u>153,206</u>

The interest earning balances are not significant.

14. SHARE CAPITAL

	<u>Number of</u> <u>shares</u>	<u>Amounts</u> INR
Issued and fully paid:		
Balance at 1 April 2018, 31 March 2018 and 31 March 2019	<u>1,106</u>	<u>5,015,822</u>

Ordinary shares of the company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions.

15. OTHER PAYABLES, NON-CURRENT

	2019 INR	2018 INR
<u>Other payables:</u>		
Outside parties	108,920,551	124,486,484
Parent company (Note 2)	-	7,001,392
Subsidiary (Note 2)	43,463,420	38,013,720
	<u>152,383,971</u>	<u>169,501,596</u>

Included in other payables are amount due to an outside party of INR48,266,825 (2018: INR55,256,327), which the company acted as the custodian of grants for micro-loans in India related to loan to an outside party (Note 11). The company provides its technology platform for execution of such grants; and

The remaining balances obtained from individual/ intuitional lenders through microlending platform are not offer any interest rate, nor a promise of return of capital to support the loan to a related party (Note 11).

16. TRADE AND OTHER PAYABLES

	2019 INR	2018 INR
<u>Trade payables:</u>		
Outside parties	125,594	125,594
<u>Other payables:</u>		
Outside parties and accrued liabilities	241,371,940	187,597,290
	<u>241,497,534</u>	<u>187,722,884</u>

Included in other payables of INR240,825,171 (2018: INR185,973,455) are funds received from outside parties to facilitate microfinance programs as loan to a related party (Note 12) and the portion of INR161,100,115 (2018: INR115,157,652) are bearing interest of 6% p.a. (2018: 6% p.a).

17. FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Director reviews and agrees 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 above-mentioned 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.

17. **FINANCIAL RISK MANAGEMENT (CONT'D)**

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. The company perform ongoing credit evaluation of its counterparties' financial condition and general do not require a collateral.

The company has adopted a policy of only dealing with creditworthy counterparties. The company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default.

The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the company. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit-ratings and no history of default.

Financial assets that are past due and/or impaired

Information regarding financial assets that are past due and / or impaired is disclosed in Note 12.

17. FINANCIAL RISK MANAGEMENT (CONT'D)

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 exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The company's operations are financed mainly through equity. The director is satisfied that funds are available to finance the operations of the company.

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

	Total contractual undiscounted cash flow INR	Within 1 year or on demand INR	After 1 year or on demand INR
2019			
Trade and other payables	<u>393,881,505</u>	<u>241,497,534</u>	<u>152,383,971</u>
2018			
Trade and other payables	<u>357,224,480</u>	<u>187,722,884</u>	<u>169,501,596</u>

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company's exposure to interest rate risk arises primarily from other payables.

The interest from financial assets including cash and cash equivalents is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2019 INR	2018 INR
Financial assets with interest:		
Fixed rate	<u>390,750,730</u>	<u>358,143,716</u>
Financial liabilities with interest:		
Fixed rate	<u>161,100,115</u>	<u>115,157,652</u>

17. FINANCIAL RISK MANAGEMENT (CONT'D)

Market risk (cont'd)

(i) Interest rate risk (Cont'd)

The company does not expect any significant effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

(ii) 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.

	United States Dollar INR	Singapore dollar INR	Euro INR	Total INR
2019:				
Financial assets:				
Trade and other receivables	-	34,875,917	-	34,875,917
Cash and cash equivalent	-	10,546,199	-	10,546,199
	-	45,422,116	-	45,422,116
Financial liabilities:				
Trade and other payables	(112,441,840)	(114,800,373)	(161,100,115)	(388,342,328)
Net financial liabilities	(112,441,840)	(69,378,257)	(161,100,115)	(342,920,212)
2018:				
Financial assets:				
Trade and other receivables	-	69,310,659	-	69,310,659
Cash and cash equivalent	-	153,206	-	153,206
	-	69,463,865	-	69,463,865
Financial liabilities:				
Trade and other payables	(111,691,593)	(125,268,550)	(115,157,652)	(352,117,795)
Net financial liabilities	(111,691,593)	(55,804,685)	(115,157,652)	(282,653,930)

A 10% strengthening of Indian Rupee against the foreign currency denominated balances as at the reporting date would increase profit or loss by INR34,292,021 (2018: INR28,265,393). This analysis assumes that all other variables remain constant.

A 10% weakening of Indian Rupee against the above currency would have had equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remain constant.

18. FAIR VALUES OF ASSETS AND LIABILITIES

(A) Fair value hierarchy

The company categories fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:

- Level 1 – Quoted price ((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 liabilities, either directly or indirectly; and
- Level 3 – unobservable inputs for the asset or liability

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

(B) Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables (including trade balances due from/to related parties) approximate their fair values as they are subject to normal trade credit terms.

Loan to outside party

The carrying amounts of loan to outside party approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

19. FINANCIAL INSTRUMENT BY CATEGORY

	2019	2018
	INR	INR
Loans and receivables	404,467,703	369,216,118
Cash and cash equivalents	10,546,199	153,206
Total financial assets	<u>415,013,902</u>	<u>369,369,324</u>
Trade and other payables at amortised cost	393,881,505	357,224,480
Total financial liabilities	<u>393,881,505</u>	<u>357,224,480</u>

The carrying amounts of the financial assets and financial liabilities in the financial statements of company represent its respective net fair values.

20. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The 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 adjusts the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2019 and 31 March 2018 respectively.

The company is not subject to any externally imposed capital requirements. The company's overall strategy remains consistent with last financial year.

INCLUSIVE PLANET TECHNOLOGIES PTE. LTD.

Detailed Profit and Loss Account for the year ended 31 March 2019

	2019 INR	2018 INR
Revenue		
Interest income	10,865,733	10,543,257
Grant income	-	27,160,277
Other income	8,684,204	-
	<u>19,549,937</u>	<u>37,703,534</u>
Less: expenses		
Administrative expenses		
Accounting fee	5,677	92,768
Administrative expenses	287,286	-
Audit fees	942,986	-
Bank charges	25,760	9,138
Interest expenses	3,909,056	2,009,855
Foreign exchange (gain) loss	(3,225,719)	13,459,585
Other expenses	108,438	17,878
Platform fees	7,670,797	2,009,755
Professional charges	118,000	-
Statutory expenses	235,655	-
Tax expenses	259,148	-
Technology expenses	18,300	202,967
	<u>(10,355,384)</u>	<u>(17,801,946)</u>
Profit before tax	<u><u>9,194,553</u></u>	<u><u>19,901,588</u></u>

The above statement does not form part of the audited financial statements