

Virstra I-Technology (Singapore) Pte Ltd
Registration Number: 200416243C

Annual Report
Year ended 31 March 2010

KPMG LLP (Registration No. T08LL1287L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Directors' report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2010.

Directors

The directors in office at the date of this report are as follows:

Vishnu Rampratap Dusad
Kapil Kumar Gupta

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the Act), particulars of interest of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options of the Company or of related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ultimate Holding Company		
Vishnu Rampratap Dusad		
Nucleus Software Exports Limited		
- Ordinary shares (par value of Indian Rupees 10 each)	3,603,492	3,603,492
The Company		
Kapil Kumar Gupta		
Virstra-I Technology (Singapore) Pte Ltd		
- Ordinary shares fully paid	1	1

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning or at the end of the financial year.

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

Since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.



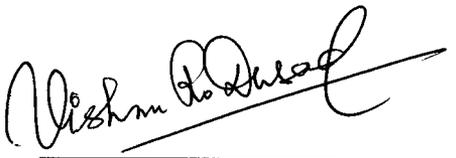
Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Signed by the Board of Directors



Vishnu Rampratap Dusad
Director



Kapil Kumar Gupta
Director

24 April 2010



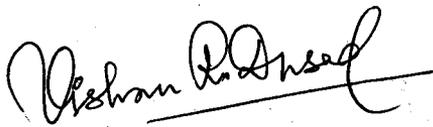
Statement by Directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS11 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, having regard to Note 2 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Signed by the Board of Directors



Vishnu Rampratap Dusad
Director



Kapil Kumar Gupta
Director

24 April 2010





KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

Telephone +65 6213 3388
Fax +65 6225 0984
Internet www.kpmg.com.sg

Independent auditors' report

Members of the Company
Virstra I-Technology (Singapore) Pte Ltd

We have audited the financial statements of Virstra I-Technology (Singapore) Pte Ltd (the Company), which comprise the statement of financial position as at 31 March 2010, statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages FS1 to FS11.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes:

- (a) 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 profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and the results and cash flows of the Company for the year ended on that date; and
- (b) 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.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
24 April 2010



Statement of financial position
As at 31 March 2010

	Note	2010 \$	2009 \$
Assets			
Plant and equipment	5	—	—
Total non-current asset		—	—
Cash and cash equivalents		25,183	24,866
Total current asset		25,183	24,866
Total assets		25,183	24,866
Equity			
Share capital	6	200,000	200,000
Accumulated losses		(777,031)	(770,445)
Total equity		(577,031)	(570,445)
Liabilities			
Other payables	7	602,214	595,311
Total current liabilities		602,214	595,311
Total equity and liabilities		25,183	24,866

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



Statement of comprehensive income
Year ended 31 March 2010

	Note	2010	2009
		\$	\$
Other income		–	910
Administrative expenses		(6,586)	(547,779)
Loss before income tax	8	(6,586)	(546,869)
Income tax expense	9	–	–
Loss for the year		(6,586)	(546,869)
Total comprehensive income		–	–
Total comprehensive loss for the year		(6,586)	(546,869)

No separate statement of changes in equity has been prepared as the total comprehensive loss for the year would be the only component of this statement.

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



Statement of cash flows
Year ended 31 March 2010

	2010	2009
	\$	\$
Cash flows from operating activities		
Loss before income tax	(6,586)	(546,869)
Adjustments for:		
Loss on disposal of plant and equipment	-	229,174
Depreciation	-	311,764
	(6,586)	(5,931)
Change in trade and other receivables	-	172,018
Change in accrued operating expenses	(180)	(15,570)
Net cash (used in)/from operating activities	(6,766)	156,448
Cash flows from investing activity		
Proceeds from disposal of plant and equipment	-	670,586
Net cash from investing activity	-	670,586
Cash flows from financing activity		
Loan from related corporation	7,083	(806,388)
Net cash from/(used in) financing activity	7,083	(806,388)
Net increase in cash and cash equivalents	317	14,716
Cash and cash equivalents at 1 January	24,866	10,150
Cash and cash equivalents at 31 December	25,183	24,866

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



Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the directors on 24 April 2010.

1 Domicile and activities

Virstra I-Technology (Singapore) Pte Ltd (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 300 Tampines Avenue 5, # 05-05 Tampines Junction, Singapore 529653.

The principal activities of the Company are those relating to developing, producing and dealing in software systems and providing support and technical advisory and consultancy services. The Company has remained dormant during the year.

The immediate and ultimate holding companies are Virstra I-Technology Services Limited and Nucleus Software Exports Ltd respectively. Both companies are incorporated in India.

2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the deficiency in net assets as the immediate holding company has undertaken to provide such financial support as is required to enable the Company to continue its operations as a going concern.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

3.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair value.

3.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

3.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3.5 Changes in accounting policies

Overview

Starting as of 1 January 2009 on adoption of new/revised FRS, the Company has changed its accounting policy in the following area:

- Presentation of financial statements

Presentation of financial statements

The Company applies revised FRS 1 *Presentation of Financial Statements* (2008), which became effective as of 1 January 2009. As a result, the Company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3.5, which addresses changes in accounting policies.

4.1 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and are recognised net within other income in profit or loss.



Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold improvements 3 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.2 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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 asset 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 assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: loans and receivables.



Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they originate. All other financial liabilities are recognised initially 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 expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: other payables.

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.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

4.3 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").



An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.4 Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.5 New standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for the year ended 31 December 2009 have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company.



5 Plant and equipment

	Leasehold improvements \$
Cost	
At 1 April 2008	1,870,585
Disposals	(1,870,585)
At 31 March 2009 and 31 March 2010	-
Accumulated depreciation	
At 1 April 2008	659,060
Depreciation charge for the year	311,764
Disposals	(970,824)
At 31 March 2009 and 31 March 2010	-
Carrying amount	
At 1 April 2008	1,211,525
At 31 March 2009	-
At 31 March 2010	-

6 Share capital

	2010	2009
	Number of shares	Number of shares
Issued and fully-paid, with no par value:		
At 1 April and 31 March	200,000	200,000

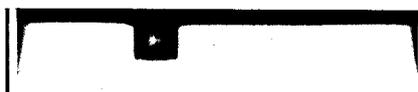
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

7 Other payables

	2010	2009
	\$	\$
Amount due to a related corporation (non-trade)	597,214	590,131
Accrued operating expenses	5,000	5,180
	602,214	595,311

The amount due to a related corporation is interest-free and repayable on demand.

The Company's exposure to liquidity risk related to other payables is disclosed in note 10.



8 Loss before income tax

The following item has been included in arriving at loss before income tax:

	2010	2009
	\$	\$
Depreciation	–	311,764
Loss on disposal of plant and equipment	–	229,174

9 Income tax expense

	2010	2009
	\$	\$
<i>Reconciliation of effective tax rate</i>		
Loss before income tax	(6,586)	(546,869)
Income tax using the Singapore tax rate of 17% (2009: 17%)	(1,120)	(92,968)
Expenses not deductible for tax purposes	1,120	92,968
	–	–

10 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- interest rate risk
- foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.



The Company places its cash and cash equivalents with financial institutions of high credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash outflows of other payables:

	<u>Carrying amount</u>	<u>Cash flows</u>		
		<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>Within 1 to 5 years</u>
	\$	\$	\$	\$
2010				
Other payables	<u>602,214</u>	<u>(602,214)</u>	<u>(602,214)</u>	<u>—</u>
2009				
Other payables	<u>595,311</u>	<u>(595,311)</u>	<u>(595,311)</u>	<u>—</u>

Interest rate risk

The Company is not exposed to significant interest rate risk.

Foreign currency risk

The financial assets and liabilities of the Company are denominated in Singapore dollars. The Company has no exposure to foreign currency risk.

Capital management

The Company's primary objective in capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to continue to maintain its future development and growth of the business.

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 or issue new shares.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

Fair values

The carrying value of all the Company's financial assets and liabilities is an approximation of the fair value because they are either short-term in nature or re-price annually.

