

# **AIRAN SINGAPORE PRIVATE LIMITED**

(Company Registration No: 201818562H)  
(Incorporated in Singapore)

## **REPORTS AND FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 01 JULY 2018 TO 31 MARCH 2019**

# AIRAN SINGAPORE PRIVATE LIMITED

(Company Registration No: 201818562H)  
(Incorporated in Singapore)

## FINANCIAL STATEMENTS FROM 01 JULY 2018 TO 31 MARCH 2019

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### INDEX

	<u>Page No</u>
Directors' Statement	1-2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-19

## **AIRAN SINGAPORE PRIVATE LIMITED**

*(Incorporated in Singapore)*

### **DIRECTORS' STATEMENT**

The directors present the Director's Statement to the members together with the unaudited financial statements of the company for the period from 01 July 2018 to 31 March 2019.

In the opinion of the directors,

- (a) The accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows, together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2019 and of the results of the business of the company for the financial period ended on that date; 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 report are: -

Sandeepkumar Vishwanath Agrawal  
Chinnaiyan Subramanian

### **ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of acquisition of shares or debentures of the company or any other body corporate.

## AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

### DIRECTORS' STATEMENT – cont'd


#### DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES


According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the company or its related corporations, except as follows:

	Number of ordinary shares			
	Direct interest		Deemed interest	
	At 01-07-2018	At 31-03-2019	At 01-07-2018	At 31-03-2019
<u>Name of director</u>				
<u>Airan Singapore Private Limited</u>				
Sandeepkumar Vishwanath Agrawal	-	-	-	-
Chinnaiyan Subramaniyan	-	-	-	-
<u>Shareholdings in Holding Company</u>				
<u>Airan Limited</u>				
Sandeepkumar Vishwanath Agrawal	1,582,000	1,582,000	-	-
Chinnaiyan Subramaniyan	-	-	-	-

#### SHARE OPTIONS

During the financial year, no option to take up unissued shares of the company was granted and no shares of the company were issued by virtue of the exercise of an option to take up unissued shares. At the end of the financial year, there were no unissued shares of the company under option.

  
Sandeepkumar Vishwanath Agrawal  
Director

  
Chinnaiyan Subramanian  
Director

Singapore,  
10 April 2019

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD FROM 01 JULY 2018 TO 31 MARCH 2019**

	Note	01 July 2018 to 31 March 2019 S\$	03 July 2017 to 30 June 2018 S\$
Revenue	4	10,260	21,500
Less: Cost of sales		<u>(4,825)</u>	<u>(10,740)</u>
Gross profit		5,435	10,760
Other income		<u>-</u>	<u>59</u>
		5,435	10,819
Company incorporation expenses		-	(1,000)
Other operating expenses		<u>(5,310)</u>	<u>(3,884)</u>
Profit before income tax	5	125	5,935
Income tax expense	6	<u>-</u>	<u>-</u>
Profit after income tax		125	5,935
Other comprehensive income		-	-
Total comprehensive income for the period		<u>125</u>	<u>5,935</u>

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

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**

	Note	2019 S\$	2018 S\$
<b>Assets</b>			
<b>Current assets</b>			
Trade receivables	7	21,020	10,760
Cash and cash equivalent	8	10,225	10,915
<b>Total current assets</b>		<u>31,245</u>	<u>21,675</u>
<b>Total assets</b>		<u>31,245</u>	<u>21,675</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	10,000	10,000
Retained earnings		6,060	5,935
<b>Total equity</b>		<u>16,060</u>	<u>15,935</u>
<b>Current liabilities</b>			
Trade and other payables	10	15,185	5,740
<b>Total current liabilities</b>		<u>15,185</u>	<u>5,740</u>
<b>Total equity and liabilities</b>		<u>31,245</u>	<u>21,675</u>

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



**AIRAN SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore)*

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE FINANCIAL PERIOD FROM 01 JULY 2018 TO 31 MARCH 2019**

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	Share capital S\$	Retained earnings S\$	Total S\$
Balance at 03 July 2018	10,000	-	10,000
Total comprehensive income for the period	-	5,935	5,935
Balance at 30 June 2018	10,000	5,935	15,935
Total comprehensive income for the period	-	125	125
Balance at 31 March 2019	10,000	6,060	16,060

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

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD FROM 01 JULY 2018 TO 31 MARCH 2019**

	Note	2019 S\$	2018 S\$
<b>Cash flows from operating activities</b>			
Profit before income tax		125	5,935
Changes in working capital			
Trade receivables		(10,260)	(10,760)
Other payables		9,445	5,740
		<u>(690)</u>	<u>915</u>
<b>Cash flows from investing activities</b>		-	-
<b>Cash flows from financing activities</b>			
Shares issued		-	10,000
Net cash from financing activities		<u>-</u>	<u>10,000</u>
<b>Net increase in cash and cash equivalent</b>		(690)	10,915
Cash and cash equivalents brought forward		10,915	-
Cash and cash equivalents carried forward	9	<u>10,225</u>	<u>10,915</u>

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



## AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

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

#### 1. GENERAL CORPORATE INFORMATION

Airan Singapore Pte. Ltd. (Registration No. 201818562H) is incorporated in the Republic of Singapore, with its registered office at 23 Kelantan Lane, #04-01 Kim Hoe Centre, Singapore 208642.

The principal activities of the Company are those of Information technology enabled services. There have been no significant changes in the nature of these activities since incorporation.

The immediate and ultimate holding company Airan Limited, which is incorporated in India and listed in National Stock Exchange of India.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 a) Basis of Preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements of the Company are presented in Singapore dollar(S\$), which is the functional currency of the Company and presentation currency for the financial statements.

##### b) Standards issued but not effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective date (Annual Periods beginning on or after)
FRS116 Leases	1 <sup>st</sup> January 2019
INT FRS 123 Uncertainty over Income Tax Treatments	1 <sup>st</sup> January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 <sup>st</sup> January 2019

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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**2.1 b) Standards issued but not effective (Cont'd)**

Amendments to FRS 28 Long-term interests in Associates and Joint Ventures	1 <sup>st</sup> January 2019
Annual Improvements to FRSs (March 2018)	1 <sup>st</sup> January 2019
Amendments to FRS 110 and FRS28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 116 the directors expect that the adoption of other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

**FRS 116 Leases**

FRS 116 requires leases to recognize most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 01 January 2019. At commencement date of date of lease, a lease will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application. 01 January 2019.

On the adoption of FRS 116, the Company expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) Its carrying amount as if FRS had been applied since the commencement date, but discontinued using the lessee's incremental borrowing rate as of 01 January 2019; or
- (ii) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 01 January 2019.

In addition, the Company plans to elect the following practical expedients:

- (i) Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;



## AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

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#### 2. SIGNIFICANT ACCOUNTING POLICIES- cont'd

##### 2.1 b) Standards issued but not effective (Cont'd)

- (ii) To apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and
- (iii) To apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Company adopts FRS 116 in 2019.

#### 2.2 Financial Instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments.

##### Financial Assets

The Company classifies its financial assets as "loans and receivables". The classification depends on the nature and purpose of these financial assets and is determined at the time of initial recognition.

##### Effective Interest Method

The effective interest method is calculating the amortised cost of financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts or payments through the expected of the financial asset or liability, or where appropriate, shorter period.

##### Loans and receivables

Loans and receivables that have fixed or determinable payments that are not quoted in an active market are classified as "Loans and Receivables". Loans and Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

##### Cash and cash equivalents

Cash and equivalents consist of cash in hand and at bank, bank overdraft and fixed deposits that are subject to an insignificant risk of changes in value.

## **AIRAN SINGAPORE PRIVATE LIMITED**

*(Incorporated in Singapore)*

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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#### **2. SIGNIFICANT ACCOUNTING POLICIES- cont'd**

##### **2.2 Financial Instruments**

###### **Financial liabilities and equity Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument.

###### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

###### **Other financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Interest bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

###### **Other financial liabilities**

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities of the company are measured initially at their fair values and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation in accordance with FRS 18 Revenue.

###### **De recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or expired.

###### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.



## **AIRAN SINGAPORE PRIVATE LIMITED**

*(Incorporated in Singapore)*

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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#### **2. SIGNIFICANT ACCOUNTING POLICIES- cont'd**

##### **2.2 Financial Instruments – cont'd**

For financial assets carried at amortise cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectable it is written off and credited against the allowance account. Changes in carrying amount of the allowance account are recognised in the profit and loss statement.

##### **De recognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

##### **Impairment of tangible asset**

At each balance sheet date, the Company reviews the carrying amount of its assets 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, 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.

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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**2. SIGNIFICANT ACCOUNTING POLICIES- cont'd**

If the recoverable amount of an asset/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 and loss statements, unless the relevant asset is carried at a revealed 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, to the extent the increased carrying amount would have been determined had no impairment loss been recognised immediately in the profit and 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.

**2.3 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the company's activities are met as follows:

*Revenue from services rendered.*

Revenue from rendering of service that are short term duration is recognised as and when services completed.

**2.4 Borrowing cost**

Borrowing costs directly attributable to the acquisition and construction of properties, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowings costs are recognised in the profit and loss statement in the period in which they are incurred.



**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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**2. SIGNIFICANT ACCOUNTING POLICIES- cont'd**

**2.5 Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.6 Leases**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease is classified as operating lease.

Rental payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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**2. SIGNIFICANT ACCOUNTING POLICIES- cont'd**

**2.7 Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary difference 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 profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the assets realised based on the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit and loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit and loss statement, except when they relate to items credited or debited to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.



## AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

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#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the entity's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

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

##### **Critical judgements in applying the company's accounting policies**

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

##### **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 is as discussed below.

##### **Income taxes**

Significant judgements are required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

#### 4. REVENUE

	2019 S\$	2018 S\$
Service income	<u>10,260</u>	<u>21,500</u>

# AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

### 5. PROFIT BEFORE TAXATION

In addition to the information disclosed elsewhere in the financial statement, the Company's profit before tax is determined after charging the following: -

	2019 S\$	2018 S\$
Subcontract	4,825	10,740
Professional fees	4,000	3,000

### 6. INCOME TAX EXPENSE

	2019 S\$	2018 S\$
Major components of income tax expense for the period ended 31 March 2019 were	-	-

### 6. INCOME TAX EXPENSE – cont'd

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the period ended 31 March 2019 was as follows: -

	2019 S\$	2018 S\$
Profit before tax	125	5,935
Tax expense on profit before tax at 17%	21	1,009
Nontax-deductible expenses	6	170
Full tax exemption	(27)	(1,179)

### 7. TRADE RECEIVABLES

	2019 S\$	2018 S\$
Trade receivables – third parties	21,020	10,760

# AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019

### 8. CASH AND CASH EQUIVALENTS

	2019 S\$	2018 S\$
Cash in hand	1,000	1,000
Cash at bank	9,225	9,915
	<u>10,225</u>	<u>10,915</u>

### 9. SHARE CAPITAL

	2019 S\$	2018 S\$
Issued and fully paid 10,000 ordinary shares	<u>10,000</u>	<u>10,000</u>

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

### 10. OTHER PAYABLES

	2019 S\$	2018 S\$
Trade creditor	4,825	-
Accrued expenses	4,620	-
Amount due to director	5,740	5,740
	<u>15,185</u>	<u>5,740</u>

Amount due to director is unsecured, interest free and repayable on demand.

### 11. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS ARRANGEMENT- RISK MANAGEMENT

The company's activities expose it to credit risks, (including foreign currency risk and interest rate risk) and liquidity risk. The company's overall risk management strategy seeks to minimize adverse effects from the volatility of financial markets on the company's financial performance.



## **AIRAN SINGAPORE PRIVATE LIMITED**

*(Incorporated in Singapore)*

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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#### **11. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS ARRANGEMENT- RISK MANAGEMENT - Continued**

The Director of the company is responsible for setting the objectives and underlying principles of financial risk management for the company. The company's management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the directors.

There have been no changes to the company's exposure to these financial risks on the manner in which it manages and measures the risk.

##### **Market risk management**

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The company seeks to indemnify areas of significant risks as well as appropriate measures to control and mitigate these risks.

The company ensures availability of funds through an adequate amount of cash. Due to the dynamic nature of the underlying business, the Company financial control maintains flexibility in funding by maintaining availability under sufficient balance of cash.

##### **Liquidity risk management**

The company ensures availability of funds through an adequate amount of cash. Due to the dynamic nature of the underlying business, the Company financial control maintains flexibility in funding by maintain availability under sufficient balance of cash.

Management monitors rolling forecast of the Company's liquidity reserve (comprises cash and cash equivalents) on the basis of expected cash flow.

##### **Credit risk management**

Credit risk refers to the risk that a counter party 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 or obtaining deposits to mitigate credit risk.

The company's major classes of financial risk are cash and bank balances. Cash is held with creditworthy financial.

The carrying amounts of financial assets recorded in the financial statements, net of any allowances for losses represent the company's maximum exposure to credit risk.



## **AIRAN SINGAPORE PRIVATE LIMITED**

*(Incorporated in Singapore)*

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2019**

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#### **11. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS ARRANGEMENT- RISK MANAGEMENT - Continued**

##### **Foreign exchange risk management**

The company does not enter into derivative foreign exchange contracts and foreign currency borrowing to hedge against foreign currency risk. It is the company's policy not to trade in derivative contracts. The company has no significant exposure to any foreign currency risk as all of the transactions are denominated in Singapore dollars.

##### **Capital risk management policies and objectives**

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may return capital to shareholders, issue new shares and sell assets to reduce debt or adjust the amounts of dividends paid to.

#### **12. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The carrying amount of cash and cash equivalents, trade and other receivables and trade and other payable approximate their respective fair values due to the relative short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow.

#### **13. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements of Airan Singapore Private Limited for the financial period ended 31 March 2019 were authorised for issue by the directors on the date of the directors' statement.

**AIRAN SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore)

**DETAILED INCOME STATEMENT**  
**FOR THE PERIOD FROM 01 JULY 2018 TO 31 MARCH 2019**

	2019 S\$	2018 S\$
Revenue	10,260	21,500
<b>Cost of sales</b>		
Sub contract	<u>(4,825)</u>	<u>(10,740)</u>
Gross profit	5,435	10,760
<b>Other Income</b>		
Exchange gain	<u>-</u>	<u>59</u>
Total income	5,435	10,819
<b>Less: Operating expenses</b>		
Bank charges	657	144
Company incorporation	-	1,000
Exchange loss	33	-
Office rent	120	240
Professional fee	4,000	3,000
Secretarial fee	500	500
	<u>5,310</u>	<u>4,884</u>
	<u>125</u>	<u>5,935</u>
Profit before taxation		