

AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

(Unique Entity Number:201718562H)

AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

J CORPORATE ACCOUNTANTS

**Public Accountants and
Chartered Accountants of Singapore
18 Lorong Abu Talib
Singapore 456855**

AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

(Unique Entity Number:201718562H)

DIRECTORS

ABHISHEK SANDEEPKUMAR AGRAWAL
SANDEEPKUMAR VISHWANATH AGRAWAL
SOMASUNDARAM VALAYAPATHI

SECRETARIES

SOMASUNDARAM VALAYAPATHI

REGISTERED OFFICE

10 JALAN BESAR
#15-09 SIM LIM TOWER
SINGAPORE 208787

AUDITOR

J CORPOPRATE ACCOUNTANTS
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS OF SINGAPORE

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AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

(Unique Entity Number:201718562H)

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The directors present their statement to the members together with the audited financial statements of AIRAN SINGAPORE PRIVATE LIMITED (the "Company") for the financial year ended 31 March 2023.

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 state of affairs of the Company as at 31 March 2023 and of the financial performance, changes in funds and cash flows of the Company for the financial year covered by the financial statements; 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 as follows:

ABHISHEK SANDEEPKUMAR AGRAWAL
SANDEEPKUMAR VISHWANATH AGRAWAL
SOMASUNDARAM VALAYAPATHI

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was 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.

Directors' interests in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act 1967, (the "Act"), the directors of the Company who held office at the end of the financial year had an interest in the shares and share options of the Company and related corporations (other than wholly owned subsidiaries) as stated below:

	<u>Direct Interest</u>		<u>Deemed Interest</u>	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Shareholdings in the Company				
<u>Airan Singapore Private Limited</u>				
Sandeepkumar Vishwanath Agrawal	-	-	3,956	3,408
Abhishek Sandeepkumar Agrawal	-	-	454	454
Somasundaram Valayapathi	-	-	-	-
Shareholdings in Holding Company				
<u>Airan Limited</u>				
Sandeepkumar Vishwanath Agrawal	15,912,538	15,000,000	44,957,038	42,604,500
Abhishek Sandeepkumar Agrawal	5,674,975	5,674,975	5,674,975	5,674,975
Somasundaram Valayapathi	-	-	-	-

AIRAN SINGAPORE PRIVATE LIMITED

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DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

Share options

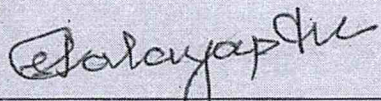
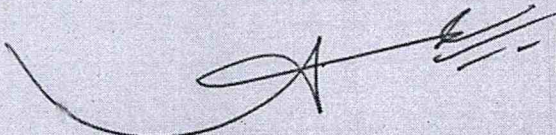
There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no issued shares during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Auditor

M/s J CORPORATE ACCOUNTANTS, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment as auditor.



SANDEEPKUMAR VISHWANATH AGRAWAL
Director

SOMASUNDARAM VALAYAPATHI
Director

Singapore
Dated: 02 AUG 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AIRAN SINGAPORE PRIVATE LIMITED
(Incorporated in Singapore)

(Unique Entity Number:201718562H)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AIRAN SINGAPORE PRIVATE LIMITED (the Company), which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967, (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AIRAN SINGAPORE PRIVATE LIMITED
(Incorporated in Singapore)

(Unique Entity Number:201718562H)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AIRAN SINGAPORE PRIVATE LIMITED
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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



J CORPORATE ACCOUNTANTS
Public Accountants and Chartered Accountants
Singapore

Date: 02 AUG 2023

AIRAN SINGAPORE PRIVATE LIMITED

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STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 S\$	2022 S\$
Revenue	4	15,140	17,950
Cost of sales	5	<u>(7,600)</u>	<u>(9,000)</u>
Gross profit		7,540	8,950
Other income	6	-	23
Other operating expenses	7	<u>(6,228)</u>	<u>(7,186)</u>
Profit before tax		1,312	1,787
Income tax expense	8	<u>(56)</u>	<u>(80)</u>
Profit for the year		<u>1,256</u>	<u>1,707</u>

The accompanying notes form an integral part of these financial statements

AIRAN SINGAPORE PRIVATE LIMITED

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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	<u>34,669</u>	<u>33,588</u>
		<u>34,669</u>	<u>33,588</u>
Total Assets		<u>34,669</u>	<u>33,588</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	10,000	10,000
Retained earnings		<u>18,914</u>	<u>17,658</u>
		<u>28,914</u>	<u>27,658</u>
Current liabilities			
Other payables	11	5,620	5,620
Provision for taxation		<u>135</u>	<u>310</u>
		<u>5,755</u>	<u>5,930</u>
Total Equity and Liabilities		<u>34,669</u>	<u>33,588</u>

The accompanying notes form an integral part of these financial statements

AIRAN SINGAPORE PRIVATE LIMITED

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STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Share Capital S\$	Retained Earnings S\$	Total S\$
As at 31st March 2021	10,000	15,951	25,951
Dividends declared	-	-	-
Net profit for the year	-	1,707	1,707
As at 31st March 2022	10,000	17,658	27,658
Dividends declared	-	-	-
Net profit for the year	-	1,256	1,256
As at 31st March 2023	10,000	18,914	28,914

The accompanying notes form an integral part of these financial statements

AIRAN SINGAPORE PRIVATE LIMITED

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STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 S\$	2022 S\$
Cash flows from operating activities		
Profit before tax	1,312	1,787
Adjustments for:		
Changes in working capital:		
Increase in trade receivables	-	14,285
Increase/(decrease) in other payables	-	1,000
Cash (used in)/generated from operations	<u>1,312</u>	<u>17,072</u>
Income tax paid	(231)	(219)
Income tax refund	-	-
Net cash (used in)/generated from operating activities	<u>1,081</u>	<u>16,853</u>
Cash flows from financing activities		
Dividend paid	-	-
(Decrease)/increase in amount due to shareholders	-	-
Net cash flow used in financing activities	<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	1,081	16,853
Cash and cash equivalents at start of the year	33,588	16,735
Cash and cash equivalents at end of the year	<u>34,669</u>	<u>33,588</u>

The accompanying notes form an integral part of these financial statements

AIRAN SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore)

(Unique Entity Number:201718562H)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

1. General

AIRAN SINGAPORE PRIVATE LIMITED (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 10 Jalan Besar, #15-09, Sim Lim Tower, Singapore 208787.

The principal activities of the Company are those of information technology enabled services. There have been no significant changes in the nature of business activities during the financial year.

The financial statements of the Company for the financial year ended 31 March 2023 were authorized for issue by the Board of Directors on the date of the Directors' Statement.

The Company's immediate and ultimate holding Company is Airan Limited, incorporated in India.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("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 Singapore Dollars (\$), which is the Company's functional currency. All financial information presented in Singapore Dollars has been rounded to the nearest whole number, unless otherwise indicated.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 116: Lease liability in a Sale and Leaseback	1 Jan 2024
Amendments to FRS 1: Non-current liabilities with Covenants	1 Jan 2024

The Company's management expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency transactions and balances

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 item at the reporting period are recognised in profit or loss.

2.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.5 Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.6 Financial Instruments

a) Financial assets

Recognition and derecognition

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost, or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the amortised cost measurement category.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

AIRAN SINGAPORE PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.6 Financial instruments (Continued)

a) Financial assets (Continued)

Subsequent measurement

Debt instruments include cash and cash equivalents and receivables. The subsequent measurement category is depending on the Company's business model for managing the asset and cash flow characteristics of the asset:

Amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income from these financial assets is included in interest income using the EIR method.

b) Financial liabilities

Financial liabilities which comprise trade payables and accrued operating expenses are initially recognized at fair value plus directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

A financial liability is derecognised when the obligation under the liability is extinguished.

2.7 Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. 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).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.7 Impairment of financial assets (Continued)

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Company applies a simplified approach to recognise a loss allowance based on lifetime ECLs at balance sheet date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Company has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and is subject to an insignificant risk of changes in value.

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 risks 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.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

AIRAN SINGAPORE PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.11 Related party transactions

A related party is a person or entity that is related to the entity which is preparing its financial statements.

A person or a close member of that person's family is related to the company if they satisfy any of the following conditions:

- i) The person has control or joint control over the company.
- ii) The person has significant influence over the company.
- iii) The person is a member of the key management personnel of the company or of a parent of the company.

An entity is related to the company if it satisfies any of the following conditions:

- i) The entity and the company are members of the same group.
- ii) The entity is an associate or joint venture of the company or vice versa.
- iii) The entity and the company are joint ventures of the same third party.
- iv) The entity or the company is a joint venture of a third party while the other is an associate of the third party.
- v) The entity is a post-employment benefit 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 as a related party.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

a) Sales of goods

The Company activities are those relating to import & export of trading agri-based commodities like coffee beans.

Revenue from sale of goods is recognised at a specified point in time when the goods are leave the seller's shipping dock as per the delivery terms and all criteria for acceptance have been satisfied. The Company is the principal to the transactions and revenue from these transactions are recorded on a gross basis.

The Company typically satisfies its performance obligations for the Sale of goods when the goods are leave the seller's shipping dock.

b) Services

The Company activities are those relating to information technology enabled services.

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

c) Interest income

Interest income is recognised using the effective interest method.

AIRAN SINGAPORE PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.13 Taxes

a) 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.

3. Significant accounting judgments and estimates

3.1 Judgements made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

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.

a) Provision for income taxes

The Company recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Company's income tax payable as at 31 March 2023 was S\$ 135 (2022: S\$ 310).

4. Revenue

Revenue represents income from sale of compact and csy yarn and rendering of information technology enabled services.

	2023 S\$	2022 S\$
Services rendered	<u>15,140</u> <u>15,140</u>	<u>17,950</u> <u>17,950</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

5. Cost of sales

	2023 S\$	2022 S\$
Service charges	7,600	9,000
	<u>7,600</u>	<u>9,000</u>

6. Other income

	2023 S\$	2022 S\$
Gain on foreign exchange	-	23
	<u>-</u>	<u>23</u>

7. Other operating expenses

	2023 S\$	2022 S\$
Audit fees	1,000	2,000
Bank charges	511	566
Exchange loss	97	-
Professional fees	4,000	4,000
Rent	120	120
Secretarial fee	500	500
	<u>6,228</u>	<u>7,186</u>

8. Income tax expense

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 31 March 2023 and 31 March 2022 were as follows:

	2023 S\$	2022 S\$
Profit before tax	<u>1,312</u>	<u>1,787</u>
Income tax using the statutory tax rate of 17%	223	304
Tax effects of:		
Non taxable expenses	16	-
Others (including tax exemption)	(179)	(229)
(over)/Under-provision of prior year tax	<u>(4)</u>	<u>5</u>
Income tax expense	<u>56</u>	<u>80</u>

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(Incorporated in Singapore)

(Unique Entity Number:201718562H)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

9. Cash and cash equivalents

	2023 S\$	2022 S\$
Cash at bank	<u>34,669</u>	<u>33,588</u>
Analysis of above amount denominated in foreign currencies:		
United States Dollars	<u>4,865</u>	<u>4,962</u>

10. Share capital

	2023 S\$	2022 S\$
Issued 10,000 units of ordinary shares	<u>10,000</u>	<u>10,000</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. 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 restrictions. The ordinary shares have no par value.

11. Other payables

	2023 S\$	2022 S\$
Audit fees	1,000	1,000
Professional fee	4,000	4,000
Rent	120	120
Secretarial fee	<u>500</u>	<u>500</u>
	<u>5,620</u>	<u>5,620</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

12. Financial risk management

The Company has no written risk management policy. The board of directors adopts policies that seek to mitigate the risk when they arise.

a) Interest rate risk

At the reporting date, the Company's exposure to market risk for changes in interest rate is minimal, if any. The Company had not undertaken any activity leading to increased exposure to risk of such nature.

The Company does not account for any fixed rate financial assets at fair values through profit and loss due to the short period to maturity. Therefore, a change in interest rates at the reporting date would not affect the statement of comprehensive income.

b) Currency risk

The Company is not significantly exposed to currency risk as it transacts business primarily in United States Dollars. The Company does not hedge for foreign currency risk except through natural hedges arising from matching sales and purchases or matching of assets or liabilities of the same currency and amount.

c) Market price risk

Market risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market process whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The company does not hold any quoted or marketable financial instrument, hence, is not exposed to any movement in market prices.

d) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should the counter party default on its obligations. The Company manages such risks by dealing with credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessment and evaluation of existing and new customers' credit reliability and monitoring of receivable collections.

The maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year, in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

The Company places its cash with reputable banks which are regulated.

The credit risk is as follows:

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high-credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are fully recovered within one month of the year end date.

(ii) Financial assets that are past due but not impaired

There are no significant financial assets that are past due.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

12. Financial risk management (Continued)

e) Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. 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.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial asset and liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Carrying amount	2023		
		Contractual cash flows	One year or less	Two to five years
	S\$	S\$	S\$	S\$
Financial assets				
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Cash and cash equivalents	34,669	34,669	34,669	-
Total undiscounted financial assets	34,669	34,669	34,669	-
Financial liabilities				
Trade payables	-	-	-	-
Other payables	5,620	5,620	5,620	-
Amount due to shareholders	-	-	-	-
Total undiscounted financial liabilities	5,620	5,620	5,620	-
Total net discounted financial assets	29,049	29,049	29,049	-

	Carrying amount	2022		
		Contractual cash flows	One year or less	Two to five years
	S\$	S\$	S\$	S\$
Financial assets				
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Cash and cash equivalents	33,588	33,588	33,588	-
Total undiscounted financial assets	33,588	33,588	33,588	-
Financial liabilities				
Trade payables	-	-	-	-
Other payables	5,620	5,620	5,620	-
Amount due to shareholders	-	-	-	-
Total undiscounted financial liabilities	5,620	5,620	5,620	-
Total net discounted financial assets	27,968	27,968	27,968	-

13. Fair values

The carrying amount of cash and cash equivalents, trade and other current debtors, creditors approximate their respective fair values due to the relative short-term maturity of these financial instruments.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

14. Capital management

The company manages its capital to ensure continuance as a going concern and to maintain an optimal capital structure to maximise shareholder value.

The capital structure of the company consists of issued share capital plus the earned surplus as disclosed in the statement of changes in equity.

The company follows the policy of minimising borrowings from financial institutions.

The gearing ratio is calculated as net debt divided by total capital, Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2023 S\$	2022 S\$
Net debt	-	-
Total equity	<u>28,914</u>	<u>27,658</u>
Total capital	<u>28,914</u>	<u>27,658</u>
Gearing ratio	<u>0%</u>	<u>0%</u>

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DETAILED PROFIT AND LOSS STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 S\$	2022 S\$
Revenue	15,140	17,950
Cost of sales	<u>(7,600)</u>	<u>(9,000)</u>
Gross profit	7,540	8,950
Other Income		
Gain on foreign exchange	<u>-</u>	<u>23</u>
	-	23
<u>Less: Expenses</u>		
Audit fees	(1,000)	(2,000)
Bank charges	(511)	(566)
Exchange loss	(97)	-
Professional fees	(4,000)	(4,000)
Rent	(120)	(120)
Secretarial fee	<u>(500)</u>	<u>(500)</u>
	(6,228)	(7,186)
Profit before tax	<u>1,312</u>	<u>1,787</u>

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