

MGI SINGAPORE PAC
CHARTERED ACCOUNTANTS, SINGAPORE
(Company Regn. No. 200606965Z)

TCI GLOBAL (SINGAPORE) PTE. LTD.
(Company Registration No: 200618021E)
(Incorporated in the Republic of Singapore)

FINANCIAL STATEMENTS - 31 MARCH 2020

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The directors are pleased to present their statement to the members together with the audited financial statements of TCI Global (Singapore) Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

1. OPINION OF THE DIRECTOR

In the opinion of the directors,

- i. the accompanying statement of financial position, statement of comprehensive income and statement of changes in equity of the Company and cash flow statement are drawn up so as to give a true and fair view of the financial position as at 31 March 2020 and the financial performance and the results of the business for the year ended on that date;
- ii. at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS OF THE COMPANY

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

Agarwal Chander

Pramod Kumar Jain

Kalasegaran s/o Genkatharan

3. 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 arrangements whose object 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.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of director's shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50, the following directors who held office at the beginning and at the end of the financial year were interested in shares of the Company as follows: -

<u>Name of Director</u>	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>At 01.04.2019</u>	<u>At 31.03.2020</u>	<u>At 01.04.2019</u>	<u>At 31.03.2020</u>
(Number of ordinary shares)				
Agarwal Chander	2	2	2,054,785	2,054,785

TCI GLOBAL (SINGAPORE) PTE. LTD.
(Company Registration No: 200618021E)
(Incorporated in the Republic of Singapore)
STATEMENT BY DIRECTORS

5. SHARE OPTIONS

During the financial year, no options to take up unissued shares of the Company were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary company. There were no issued shares of the Company or any subsidiary company under option at the end of the financial year.

6. INDEPENDENT AUDITORS

The independent auditors, MGI SINGAPORE PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors:

*



Agarwal Chander
Director



Pramod Kumar Jain
Director

Singapore, 9 May 2020

MGI SINGAPORE PAC
CHARTERED ACCOUNTANTS, SINGAPORE
(Company Regn. No. 200606965Z)

TCI GLOBAL (SINGAPORE) PTE. LTD.
(Company Registration No: 200618021E)
INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TCI Global (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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.

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 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.

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(Company Registration No: 200618021E)
INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Auditor's Responsibilities for the Audit of the Financial Statements - continued

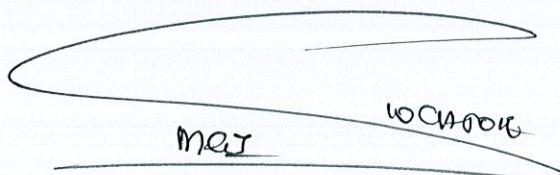
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- 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 incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.


MGI

MGI SINGAPORE PAC
Public Accountants And
Chartered Accountants

Singapore, 9 May 2020

TCI GLOBAL (SINGAPORE) PTE. LTD.
(Company Registration No: 200618021E)
(Incorporated in the Republic of Singapore)
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	<u>NOTE</u>	<u>2020</u> S\$	<u>2019</u> S\$
ASSETS			
Non-Current Assets			
Plant and equipment	8	-	-
Current Assets			
Other receivables	9	4,624	-
Cash and cash equivalents	10	25,320	55,212
		<u>29,944</u>	<u>55,212</u>
TOTAL ASSETS		<u>29,944</u>	<u>55,212</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Other payables	11	-	1,339
TOTAL LIABILITIES		<u>-</u>	<u>1,339</u>
Equity attributable to owner of the Company			
Share capital	7	2,092,380	2,092,380
Accumulated (losses)		(2,062,436)	(2,038,507)
TOTAL EQUITY		<u>29,944</u>	<u>53,873</u>
TOTAL EQUITY AND LIABILITIES		<u>29,944</u>	<u>55,212</u>

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

TCI GLOBAL (SINGAPORE) PTE. LTD.

(Company Registration No: 200618021E)

(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	NOTE	2020	2019
		S\$	S\$
Revenues	4	-	-
Other income	5	-	101
		<hr/>	<hr/>
		-	101
Other operating expenses		(22,195)	(78,744)
Finance cost		(1,734)	-
		<hr/>	<hr/>
(Loss) before taxation	7	(23,929)	(78,643)
Taxation	14	-	-
		<hr/>	<hr/>
(Loss) after taxation		(23,929)	(78,643)
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive (expenses) for the year		(23,929)	(78,643)
		<hr/>	<hr/>

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

TCI GLOBAL (SINGAPORE) PTE. LTD.

(Company Registration No: 200618021E)

(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share Capital	Accumulated losses	Total
	S\$	S\$	S\$
Balance as at 31.03.2019	2,092,380	(2,038,507)	53,873
Total comprehensive expenses for the year		(23,929)	(23,929)
Balance as at 31.03.2020	2,092,380	(2,062,436)	29,944

	Share Capital	Accumulated losses	Total
	S\$	S\$	S\$
Balance as at 31.03.2018	2,092,380	(1,959,864)	132,516
Total comprehensive expenses for the year	-	(78,643)	(78,643)
Balance as at 31.03.2019	2,092,380	(2,038,507)	53,873

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

TCI GLOBAL (SINGAPORE) PTE. LTD.

(Company Registration No: 200618021E)

(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(23,929)	(78,643)
Adjustments for:			
Interest received		-	(101)
Bad debts written off		-	52,141
Operating (loss) before working capital changes		(23,929)	(26,603)
(Increase) in other receivables		(4,624)	4,356
Increase/(decrease) in trade payables and accruals		(1,339)	(118,649)
Cash (shortfall) from operations		(29,892)	(140,896)
Interest received		-	101
Net cash flows (used in) operating activities		(29,892)	(140,795)
Net (decreased) in cash and cash equivalents		(29,892)	(140,795)
Cash and cash equivalent at beginning of year		55,212	196,007
Cash and cash equivalent at end of year	10	25,320	55,212

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

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

1. CORPORATE INFORMATION

TCI GLOBAL (SINGAPORE) PTE. LTD. is a private limited company incorporated in the Republic of Singapore.

The registered and administration office of the Company is located at 435 Orchard Road, #11-F Wisma Atria, Singapore 238877.

The principal activities of the Company are to develop and provide value added logistics services such as air and sea freight services.

There have been no significant changes in the nature of these activities during the year.

Holding company

The Company is a virtually wholly owned subsidiary of TCI Holdings Asia Pacific Pte. Ltd., a company incorporated in Republic of Singapore. The ultimate holding company is Transport Corporation of India Ltd., a company incorporated in India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Company and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical costs basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2019. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.2 Standards issued but not yet effective

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

	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.3 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. All items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price. Expenditure incurred after the property plant and equipment have been put into operations, such as repair and maintenance and overhaul costs, is normally charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of an item of plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

Depreciation is computed over the estimated useful life of the asset as follows:

Office equipment	-	5 years
Computers	-	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit and loss account in the year the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.4 Foreign currency

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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of 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 asset, unless the 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 of continuing operations are recognised in profit or loss, except for assets that are 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

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to a contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss, directly attributable transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.7 Financial Instruments- Continued

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i. **Loan and receivables**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

ii. **Regular way purchases and sales**

Illustrative accounting policy for regular way purchase and sale of a financial asset:

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. Alternatively, regular way purchases and sales can be accounted for on settlement dates.

De-recognition

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

b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

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

De-recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.8 Provisions

General

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 estimate reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that from an integral part of the Company's cash management.

2.10 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.11 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is presented net of value added tax, rebates, discounts and sales returns.

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: -

a) Rental income

Rental income from investment property is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provide to lessees are recognised as reduction of rental income on a straight-line basis

b) Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

2.12 Related Party

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the Company if that person:
 - i. has control or joint control over the Company;
 - ii. has significant influence over the Company; or
 - iii. is a member of the key management personnel of the Company or of a parent of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.12 Related Party - Continued

- b) An entity is related to Company if any of the following conditions applies:
- i. the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. both entities are joint ventures of the same third party.
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. the entity is a post-employment 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 in (a);
 - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognized in profit or loss except to the extent that the tax relates to items recognized 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.

b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.13 Taxes - Continued

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

c) Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.14 Borrowing costs

Borrowing costs are capitalized as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalized until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

2.15 Employee benefits

Define contribution plans

The Company make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution schemes are recognized as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognized as liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the accounting period is recognized for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled before twelve months from the end of the reporting period is determined using the projected unit credit method. The net total service costs, net interest in the liability and premeasurement of the liability are recognized in profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that 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 judgement is 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 recognizes 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. REVENUES

There is no trading activities during the year.

5. OTHER INCOME

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Fixed deposit interest	-	101
	-	101

6. (LOSS) BEFORE INCOME TAX

In addition to the information disclosed elsewhere in the financial statements, the company's (loss)/profit before income tax is arrived at after charging (crediting) the following:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Directors fee	-	1,000
Other income (Note 5)	-	(101)
Legal and professional fees	18,958	13,774
Bad debt written off	-	52,141
Bank charges	1,735	1,171
Rental	3,236	-

7. SHARE CAPITAL

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	No of shares issued	S\$	No of shares issued	S\$
<u>Ordinary shares; issued and fully paid</u>	2,054,787	2,092,380	2,054,787	2,092,380

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

8. PLANT AND EQUIPMENT

	Office equipment S\$	Computers S\$	Total S\$
<u>Cost:</u>			
At 31.03.2018	4,935	16,308	21,243
At 31.03.2019	4,935	16,308	21,243
Disposal	(4,935)	(16,308)	(21,243)
At 31.03.2020	-	-	-
<u>Accumulated depreciation:</u>			
At 31.03.2018	4,935	16,308	21,243
At 31.03.2019	4,935	16,308	21,243
Disposal	(4,935)	(16,308)	(21,243)
At 31.03.2020	-	-	-
<u>Net book value:</u>			
At 31.03.2019	-	-	-
At 31.03.2020	-	-	-

9. OTHER RECEIVABLES

	<u>2020</u> S\$	<u>2019</u> S\$
Holding Company	4,624	-
	<u>4,624</u>	<u>-</u>

Amount owing by holding company is unsecured, interest free and repayable on demand. It is denominated in United States Dollar.

10. CASH AND CASH EQUIVALENTS

	<u>2020</u> S\$	<u>2019</u> S\$
Cash at bank	<u>25,320</u>	<u>55,212</u>
<u>Cash and cash equivalents are denominated in the following currencies:</u>		
Singapore dollar	25,203	53,795
United states dollar	117	1,417
	<u>25,320</u>	<u>55,212</u>

11. OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Holding company	-	1,339
	<u> </u>	<u> </u>
		1,339

12. TAXATION

No income tax is provided as there is no taxable income during the financial year. Domestic income tax is calculated at 17% of the estimated assessable income for the year.

The total charge for the year can be reconciled to the accounting loss as follows:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
(Loss) before tax	(23,929)	(78,643)
Tax expense on loss before tax at 17% (2018:17%)	(4,068)	(13,369)
Adjustments: -		
Tax effect of expenses not allow for tax	4,068	8,864
Tax effect of unabsorbed losses	-	4,505
Current tax expense	<u> </u>	<u> </u>
	-	-

13. FINANCIAL INSTRUMENT, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Financial risk management objective and policies

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

The Directors 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 has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

13. FINANCIAL INSTRUMENT, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT - continued

13.1 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in a meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of cash and bank balances that is sufficient for working capital purpose.

13.2 Interest risk

The Company's exposure to market risk for changes in interest rate relates to the Company's long term debt obligations. It is the Company's policy to obtain the most favourable interest rates available whenever the Company obtains additional financing through bank borrowings.

The Company has interest bearing fixed deposits. The interest bearing fixed deposits are short term in nature and with the current interest rate level, any variation in the interest rates will not have material impact on the net income of the Company.

13.3 Foreign currency risk

The Company is exposed to foreign exchange risk from its transactions denominated in United states dollars and other foreign currencies. The management monitor closely these foreign currency debtors and recovers the amount at the earliest to minimised the foreign exchange risk.

As at financial year end, the carrying of monetary assets and liabilities denominated in currencies other than Singapore dollars are disclosed in the respective notes in the financial statements.

13.4 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a loss to the company. The company has dealing with only customers with good financial position. The company's major classes of financial risks are cash and bank balances and trade and other receivables. Cash is held with creditworthy financial institutions. Trade receivables that neither part due nor impaired are substantially companies with good collection track record with company. The Company does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

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. Other receivables are mostly receivable from related companies. These related companies are having financial position and management does not foresee any risk of default by these companies.

13.5 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 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 amount of dividends paid to shareholders. The management's overall strategy remains unchanged from 2019.

14. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amount of cash and cash equivalents, other receivables and other payables 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.

15. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statement of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors on 28 May 2020.