

AUDITED FINANCIAL STATEMENTS

TATA PRECISION INDUSTRIES PRIVATE LIMITED
(Registration No. 197100574C)

31 MARCH 2024

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C O N T E N T S

	<u>PAGE</u>
Directors' statement	1
Independent auditors' report	3
Balance sheet	5
Statement of comprehensive income	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9

TATA PRECISION INDUSTRIES PRIVATE LIMITED

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

The directors present their report to the members together with the audited financial statements of Tata Precision Industries Private Limited (the "company") for the financial year ended 31 March 2024.

In the opinion of the directors,

- (a) the financial statements of the company together with the notes thereon are drawn up so as to give a true and fair view of the of the financial position of the company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the company for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

DIRECTORS

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

Maloy Kumar Gupta
Kottamasu Venkateswara Rao (w.e.f. 1 April 2024)

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 object 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 kept by the company for the purposes of section 164 of the Singapore Companies Act 1967 (the "Act"), none of the directors holding office at the end of the financial year had any interest in the shares or debentures or share options of the company and its related corporations.

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

TATA PRECISION INDUSTRIES PRIVATE LIMITED

**DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

INDEPENDENT AUDITORS

The independent auditors, H. Wee & Co. LLP, have expressed their willingness to accept re-appointment as auditors of the company.



.....
Maloy Kumar Gupta
Director



.....
Kottamasu Venkateswara Rao
Director

Singapore, 24 April 2024

TATA PRECISION INDUSTRIES PRIVATE LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Precision Industries Private Limited (the "company"), which comprise the balance sheet as at 31 March 2024, 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 Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRS"s) so as to give a true and fair view of the financial position of the company as at 31 March 2024 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

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 statement, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

TATA PRECISION INDUSTRIES PRIVATE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Auditors' 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 auditors' 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, individual 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.
- 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 auditors' 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 auditors' 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.

H. Wee & Co. LLP

H. Wee & Co. LLP

Public Accountants and Chartered Accountants

Singapore, 24 April 2024

TATA PRECISION INDUSTRIES PRIVATE LIMITED

BALANCE SHEET AS AT 31 MARCH 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
ASSETS			
Non-current asset			
Investment in associate	3	-	-
Current assets			
Interest receivable		29,387	-
Cash and cash equivalents	4	3,915,700	3,789,867
TOTAL ASSETS		<u>3,945,087</u>	<u>3,789,867</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	5	21,020,000	21,020,000
Accumulated losses		(17,082,511)	(17,237,064)
		<u>3,937,489</u>	<u>3,782,936</u>
Current liability			
Accruals		7,598	6,931
TOTAL EQUITY AND LIABILITIES		<u>3,945,087</u>	<u>3,789,867</u>

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

TATA PRECISION INDUSTRIES PRIVATE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
Other income	6	187,287	-
Operating expenses		<u>(32,734)</u>	<u>(87,523)</u>
Profit/(Loss) before income tax	7	154,553	(87,523)
Income tax	8	<u>-</u>	<u>-</u>
Profit/(Loss) for the year		154,553	(87,523)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income		<u>154,553</u>	<u>(87,523)</u>

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

TATA PRECISION INDUSTRIES PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	<u>Share capital</u>	<u>Accumulated losses</u>	<u>Total</u>
	\$	\$	\$
Balance at 31 March 2022	21,020,000	(17,149,541)	3,870,459
Total comprehensive income	<u>-</u>	<u>(87,523)</u>	<u>(87,523)</u>
Balance at 31 March 2023	21,020,000	(17,237,064)	3,782,936
Total comprehensive income	<u>-</u>	<u>154,553</u>	<u>154,553</u>
Balance at 31 March 2024	<u>21,020,000</u>	<u>(17,082,511)</u>	<u>3,937,489</u>

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

TATA PRECISION INDUSTRIES PRIVATE LIMITED**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024**

	<u>2024</u> \$	<u>2023</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before income tax	154,553	(87,523)
Adjustments for:		
Dividend income	(62,754)	-
Interest income	<u>(83,766)</u>	<u>-</u>
Operating profit/(loss) before working capital changes	8,033	(87,523)
Changes in working capital:		
Accruals	<u>667</u>	<u>(2,807)</u>
Net cash generated from/(used in) operating activities	<u>8,700</u>	<u>(90,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	62,754	-
Interest received	<u>54,379</u>	<u>-</u>
Net cash generated from investing activities	<u>117,133</u>	<u>-</u>
Net change in cash and cash equivalents	125,833	(90,330)
Cash and cash equivalents at beginning of year	<u>3,789,867</u>	<u>3,880,197</u>
Cash and cash equivalents at end of year	<u><u>3,915,700</u></u>	<u><u>3,789,867</u></u>

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

TATA PRECISION INDUSTRIES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

1. GENERAL INFORMATION

Tata Precision Industries Private Limited (the "company") is a limited liability company domiciled and incorporated in Singapore. The company's registered office and principal place of business is at 1 Robinson Road, #17-00, AIA Tower, Singapore 048542.

The company's immediate and ultimate holding company is Tata Motors Limited, a company registered in India. Related companies in these financial statements refer to members of the holding company.

The principal activities of the company are those of manufacturing high precision tools and plastic and metallic components. The company has ceased its operations since December 2010.

The financial statements for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 24 April 2024.

2. MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements of the company have been prepared on the basis that it will continue to operate as a going concern and in accordance with the Financial Reporting Standards in Singapore (FRSs) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There were no significant critical accounting estimates and assumptions used, or critical judgement applied.

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 2023. The adoption of these standards did not have any material effect on the financial statements of the company.

FRS AND INT FRS NOT YET EFFECTIVE

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 <i>Statement of Cash flows</i> and FRS 107 <i>Financial Instruments: Disclosures</i> : Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21 <i>The Effect of Changes in Foreign Exchange rates</i> : Lack of Exchangeability	1 January 2025

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

FRS AND INT FRS NOT YET EFFECTIVE (CONTINUED)

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.

CURRENCY TRANSLATION

Functional and presentation currency

The financial statements of the company are measured using the currency of the primary economic environment in which the company operates ("functional currency"). The financial statements are presented in Singapore dollar, which is the functional and presentation currency of the company.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values was determined.

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.

INVESTMENT IN ASSOCIATES

Associates are entities over which the company has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investment in associate is carried at cost less accumulated losses in the company's balance sheet.

Acquisition

Investments in associates are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued, or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associates represents the excess of the cost of acquisition of the associates over the company's share of the fair value of the identifiable net assets of the associates and is included in the carrying amount of the investments.

Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise company's share of its associates' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associates are recognised as a reduction of the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

INVESTMENT IN ASSOCIATES (CONTINUED)

Equity method of accounting (Continued)

When the company's share of losses in an associate equal to or exceeds its interest in the associate, the company does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associate. If the associate subsequently reports profits, the company resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associate includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future. Unrealised gains on transactions between the company and its associates are eliminated to the extent of the company's interest in the associates. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associates are changed where necessary to ensure consistency with the accounting policies adopted by the company.

Disposals

Investments in associates are derecognised when the company loses significant influence. If the retained equity interest in the former associate is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Investment in associate

Investment in associate is tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS

Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit and loss.

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The company only has debt instruments at amortised cost.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit and loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

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

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 inception.

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

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities (Continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

IMPAIRMENT OF FINANCIAL ASSETS

The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial inception, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial inception, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (i.e. a lifetime ECL).

SHARE CAPITAL

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

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.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantively enacted by the balance sheet date in the countries where the company operates and generates taxable income. 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.

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 profit, is 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 differences 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 asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax 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 asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or 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 taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank and deposits with financial institutions which are subject to an insignificant risk of change in value.

3. INVESTMENT IN ASSOCIATE

	<u>2024</u>	<u>2023</u>
	\$	\$
Equity investment at cost	140,000	140,000
Allowance for impairment loss	(140,000)	(140,000)
At end of year	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENT IN ASSOCIATE (CONTINUED)

Particulars of the associate are as follows:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>2024</u>	<u>2023</u>
			%	%
Tata Precision Industries (India) Limited	Manufacturing of high precision engineering parts of steel, aluminium and plastic	India	50	50

The company is exempted from applying the equity method of accounting on the basis that the company is a subsidiary of Tata Motors Limited, an India incorporated company which produces consolidated financial statements available for public use, in which investment in the associate is equity accounted for.

4. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
	\$	\$
Cash and bank balances	890,850	3,789,866
Fixed deposits	<u>3,024,850</u>	<u>-</u>
	<u>3,915,700</u>	<u>3,789,866</u>

Fixed deposits bear interest of between 3.77% and 5.13% per annum.

5. SHARE CAPITAL

	<u>2024</u>	<u>2023</u>
	\$	\$
Issued and fully paid - 23,420,000 ordinary shares	<u>21,020,000</u>	<u>21,020,000</u>

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

6. OTHER INCOME

	<u>2024</u>	<u>2023</u>
	\$	\$
Dividend income	62,754	-
Foreign exchange gain	40,767	-
Interest income	<u>83,766</u>	<u>-</u>
	<u>187,287</u>	<u>-</u>

On 11 October 2023, the company as the beneficial owner of 17,647 issued shares of Aggel Enterprises Ltd. received the final liquidation proceeds of \$62,754 (USD45,653) from the said entity.

NOTES TO THE FINANCIAL STATEMENTS

7. PROFIT/(LOSS) BEFORE INCOME TAX

Other than those disclosed in these financial statements, this has been determined after charging the following items:

	<u>2024</u>	<u>2023</u>
	\$	\$
Director's fee	25,000	25,000
Consultancy fees	<u>3,498</u>	<u>9,199</u>

8. INCOME TAX

The reconciliation of the tax expense and the product of accounting profit/(loss) multiplied by the applicable rate is as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Profit/(Loss) before income tax	<u>154,553</u>	<u>(87,523)</u>
Tax at the applicable tax rate of 17%	26,274	(14,879)
Tax effect of:		
- Non-taxable income	(17,599)	-
- Non-deductible expenses	-	14,879
- Utilisation of previously unrecognised deferred tax assets	<u>(8,675)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

As at the reporting date, the company has the following unutilised capital allowances, unabsorbed tax losses and investment allowances available for offset against future taxable profits subject to compliance with the relevant sections of the income tax legislations and to agreement with the tax authorities:

	<u>2024</u>	<u>2023</u>
	\$	\$
Unutilised capital allowances	2,319,899	2,370,931
Unabsorbed tax losses	5,116,119	5,116,119
Unutilised investment allowances	<u>197,400</u>	<u>197,400</u>
	<u>7,633,418</u>	<u>7,684,450</u>
Unrecorded deferred tax assets on above	<u>1,297,682</u>	<u>1,306,357</u>

Future tax benefits arising from unutilised capital allowances, unabsorbed tax losses and investment allowances have not been recognised as deferred tax assets in the financial statements as there is no reasonable certainty of their recovery in future periods.

NOTES TO THE FINANCIAL STATEMENTS

9. RELATED PARTY INFORMATION

Some of the arrangements are with related parties and the effects of these bases determined between the parties are reflected elsewhere in this report. During the financial year, the company has transactions with related parties on terms agreed between the parties as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Holding company</u>		
Consultancy fees	<u>-</u>	<u>4,168</u>
<u>Key management personnel compensation</u>		
Director's fee	<u>25,000</u>	<u>25,000</u>

10. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The company does not have written risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the company's business risk exposures in connection with its financial assets and liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures of losses.

Market risk

(i) Interest rate risk and price risk

The company has no significant exposure to interest rate risk and price risk.

(ii) Foreign exchange risk

The company has transactional currency exposures arising from balances and transaction that are denominated in a currency other than the Singapore dollar ("SGD"), primarily United States dollar ("USD").

	<u>SGD</u>	<u>USD</u>	<u>TOTAL</u>
	\$	\$	\$
2024			
<u>Financial assets</u>			
Interest receivable	7,746	21,641	29,387
Cash and cash equivalents	1,305,292	2,610,408	3,915,700
	<u>1,313,038</u>	<u>2,632,049</u>	<u>3,945,087</u>
<u>Financial liability</u>			
Accruals	7,598	-	7,598
Net financial assets	1,305,440	2,632,049	3,937,489
Less: Net financial assets denominated in the company's functional currency	(1,305,440)	-	(1,305,440)
Foreign currency exposure	<u>-</u>	<u>2,632,049</u>	<u>2,632,049</u>

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Market risk (Continued)

(ii) Foreign exchange risk (Continued)

	SGD	USD	TOTAL
	\$	\$	\$
2023			
<u>Financial asset</u>			
Cash and cash equivalents	<u>1,323,013</u>	<u>2,466,854</u>	<u>3,789,867</u>
<u>Financial liability</u>			
Accruals	<u>6,931</u>	<u>-</u>	<u>6,931</u>
Net financial assets	1,316,082	2,466,854	3,782,936
Less: Net financial assets denominated in the company's functional currency	(1,316,082)	-	(1,316,082)
Foreign currency exposure	<u>-</u>	<u>2,466,854</u>	<u>2,466,854</u>

Foreign exchange risk sensitivity

The following table details the sensitivity to a 5% increase and decrease in SGD against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

If the SGD strengthens by 5% against the relevant foreign currencies, with all other variables held constant, total comprehensive income for the year will decrease by:

	<u>2024</u>	<u>2023</u>
	\$	\$
USD	<u>109,230</u>	<u>102,374</u>

A 5% weakening of the Singapore dollar against the relevant foreign currencies at 31 March would have had the equal but opposite effect on total comprehensive income for the year on the basis that all other variables remained constant.

NOTES TO THE FINANCIAL STATEMENTS

10. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The financial liabilities of the company as at 31 March 2024 and 2023 are repayable on demand or due within 1 year from the balance sheet date.

Financial instruments by category

The carrying amount of the different categories of financial instruments as at 31 March is as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Financial assets at amortised cost	3,945,087	3,789,867
Financial liabilities at amortised cost	<u>7,598</u>	<u>6,931</u>

11. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments that are carried at fair value

The company had no financial assets or liabilities carried at fair value in 2024 and 2023.

Fair value of other financial instruments

The carrying amounts of interest receivable, cash and cash equivalents and accruals approximate their fair value due to their short-term nature.