



CSI & CO. PAC
Audit
Singapore

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)
(Co. Reg. No. 201835786W)

Audited Financial Statements
For the financial year ended 31 March 2021

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

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MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Directors' Statement
For the financial year ended 31 March 2021

The directors are pleased to present their statement to the members together with the audited financial statements of Mangalam Global (Singapore) Pte. Ltd. (formerly known as Mangalprakash (Singapore) Pte. Ltd.) (the Company) for the financial year ended 31 March 2021.

1. Opinion of the directors

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 financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the 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.

2. Directors

The directors of the Company in office at the date of this statement are:

Vipin Prakash Mangal
Chanakyaprakash Vipinprakash Mangal
Fok Chee Khuen
Chandraguptprakash Vipinprakash Mangal

3. Arrangements to enable directors to acquire shares or debentures

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

4. 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, Chapter 50 (the Act), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

Name of directors	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>At the beginning of financial year</u>	<u>At the end of financial year</u>	<u>At the beginning of financial year</u>	<u>At the end of financial year</u>
Ordinary shares of the Company				
<i>Mangalam Global (Singapore) Pte. Ltd.</i>				
Vipin Prakash Mangal	-	-	29,595	73,164
Chanakyaprakash Vipinprakash Mangal	-	-	129,168	130,995
Fok Chee Khuen	-	-	-	-
Chandraguptprakash Vipinprakash Mangal	-	-	136,938	144,435

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
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Directors' Statement
For the financial year ended 31 March 2021

4. Directors' interests in shares or debentures (continued)

Name of directors	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of Holding Company				
<i>Mangalam Global Enterprise Limited</i>				
Vipin Prakash Mangal	956,940	1,835,410	-	-
Chanakyaprakash Vipinprakash Mangal	2,074,100	3,286,150	-	-
Fok Chee Khuen	-	-	-	-
Chandraguptprakash Vipinprakash Mangal	2,198,875	3,623,320	-	-

5. Share options

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

There were no shares issued 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.

6. Auditor

CSI & Co. PAC has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors


Vipin Prakash Mangal
Director



Chandraguptprakash Vipinprakash Mangal
Director

11 June 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mangalam Global (Singapore) Pte. Ltd. (formerly known as Mangalprakash (Singapore) Pte. Ltd.) (the Company), which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other 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, 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 2021 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.

Other Information

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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Independent Auditor's Report
For the financial year ended 31 March 2021

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.

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.



MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Independent Auditor's Report
For the financial year ended 31 March 2021

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

CSI & CO. PAC

Public Accountants and
Chartered Accountants
Singapore

11 June 2021

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 31 March 2021

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Revenue	4	12,960,663	1,162,464
Cost of sales		(12,418,716)	(1,081,047)
		541,947	81,417
Other income	4	24,649	24,485
Administrative expenses	5	(329,773)	(78,387)
Finance costs	6	(82,717)	(2,579)
Profit before tax	6	154,106	24,936
Income tax expense	7	(24,393)	(3,817)
PROFIT FOR THE YEAR		129,713	21,119
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		129,713	21,119

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Statement of Financial Position
As at 31 March 2021

	<u>Note</u>	<u>2021</u> USD	(Reclassified) <u>2020</u> USD
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,046	1,228
Current assets			
Trade and other receivables	9	6,564,338	1,154,904
Amount receivable from a related company	9	194,438	-
Cash and cash equivalents	10	1,049,187	544,421
		7,807,963	1,699,325
Total assets		7,809,009	1,700,553
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,000,000	1,000,000
Retained earnings		144,983	15,270
Equity attributable to owners of the Company		1,144,983	1,015,270
Non-current liabilities			
Deferred tax liabilities	15	178	-
Current liabilities			
Trade and other payables	12	2,405,329	195,886
Amount payable to holding company	12	784,491	204,546
Loans and borrowings	13	3,449,678	281,034
Income tax payable	14	24,350	3,817
		6,663,848	685,283
Total liabilities		6,664,026	685,283
Total equity and liabilities		7,809,009	1,700,553

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
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Statement of Changes in Equity
For the financial year ended 31 March 2021

	<u>Note</u>	<u>Share Capital USD</u>	<u>Retained Earnings USD</u>	<u>Total USD</u>
At 1 April 2019	11	100,000	(5,849)	94,151
Issued of share capital	11	900,000	-	900,000
Total comprehensive income for the year		-	21,119	21,119
At 31 March 2020		1,000,000	15,270	1,015,270
Total comprehensive income for the year		-	129,713	129,713
At 31 March 2021		1,000,000	144,983	1,144,983

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Statement of Cash Flows
For the financial year ended 31 March 2021

	Note	2020 USD	(Reclassified) 2020 USD
Cash flows from operating activities			
Profit before tax		154,106	24,936
Adjustments for:			
Depreciation	8	182	96
Interest expense		82,717	2,579
Interest income		(9,930)	(24,485)
		72,969	(21,810)
		227,075	3,126
Change in working capital:			
(Increase)/Decrease in:			
Trade and other receivables		(5,409,434)	(1,130,419)
Amount receivable from a related company		(194,438)	-
Increase/(Decrease) in:			
Trade and other payables		2,209,443	188,190
Amount payable to holding company		759,945	21,967
		(2,634,484)	(920,262)
Cash generated from/(used in) operations		(2,407,409)	(917,136)
Income tax paid		(3,682)	-
Net cash from/(used in) operating activities		(2,411,091)	(917,136)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	-	(1,324)
Interest income		9,930	-
Fixed deposit pledged		(509,658)	(500,000)
Shares issued	11	-	900,000
Net cash from/(used in) investing activities		(499,728)	398,676
Cash flows from financing activities			
Interest paid		(82,717)	-
Proceed from trust receipts		3,168,644	281,034
(Repayment to)/Loan from holding company		(180,000)	180,000
Net cash from/(used in) financing activities		2,905,927	461,034
Net decrease in cash and cash equivalents		(4,892)	(57,426)
Cash and cash equivalents at beginning of year	10	44,421	101,847
Cash and cash equivalents at end of year	10	39,529	44,421

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
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Statement of Cash Flows
For the financial year ended 31 March 2021

Reconciliation of liabilities arising from financing activities

			Non-cash	
	As at 1 <u>April</u> USD	Financing cash flows USD	Interest expense recognised USD	As at 31 <u>March</u> USD
2021				
Loans and borrowings	281,034	3,090,378	78,266	3,449,678
Loan from holding company	182,579	(187,030)	4,451	-
	<u>463,613</u>	<u>2,903,348</u>	<u>82,717</u>	<u>3,449,678</u>
2020 (Reclassified)				
Loans and borrowings	-	281,034	-	281,034
Loan from holding company	-	180,000	2,579	182,579
	<u>-</u>	<u>461,034</u>	<u>2,579</u>	<u>463,613</u>

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Notes to the Financial Statements
For the financial year ended 31 March 2021

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

1. General

Mangalam Global (Singapore) Pte. Ltd. (formerly known as Mangalprakash (Singapore) Pte. Ltd.) (the Company) is incorporated and domiciled in Singapore with its registered office and principal place of business at 10 Anson Road, #27-02 International Plaza, Singapore 079903.

The principal activities of the Company are those of wholesale trade of a variety of goods without a dominant product.

The immediate and ultimate holding company is Mangalam Global Enterprise Limited, which is 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 (FRSs). 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 United States Dollar (USD), which is the Company's functional currency.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial period 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 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

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 116 <i>Leases: Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109 <i>Financial Instruments</i> , FRS 39 <i>Financial Instruments: Recognition and Measurement</i> , FRS 107 <i>Financial Instruments: Disclosures</i> , FRS 104 <i>Insurance Contracts</i> , FRS 116 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Formerly known as Mangalprakash (Singapore) Pte. Ltd.)

Notes to the Financial Statements
For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> : Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023

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.

2.4 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.

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 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Computers	3 years
Furniture and fittings	10 years

Notes to the Financial Statements
For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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 on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 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, where applicable, 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.

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.

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity 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 fair value through profit or loss (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 or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Notes to the Financial Statements
For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

2.7 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

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, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at 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 method, less impairment. Gain and losses are recognised in profit or 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 the 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.

(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 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 method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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.

Notes to the Financial Statements
For the financial year ended 31 March 2021

2. Summary of significant accounting policies (continued)

2.8 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 recognition, 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 recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposit, had been excluded.

2.10 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. Summary of significant accounting policies (continued)

2.11 Government grants

Cash grants received from the government are recognised as income upon receipt.

2.12 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.13 Employee benefits

(a) Defined contribution plans

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

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

2. Summary of significant accounting policies (continued)

2.14 Leases (continued)

As lessee (continued)

Right-of-use assets (continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

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2. Summary of significant accounting policies (continued)

2.15 Revenue

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Sale of goods

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting date, the Company updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Company also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

2.16 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.

Notes to the Financial Statements
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2. Summary of significant accounting policies (continued)

2.16 Taxes (continued)

(b) Deferred tax

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

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 by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17 Share capital

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.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material judgement to the carrying amounts of assets and liabilities within the next financial year.

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.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

Notes to the Financial Statements
For the financial year ended 31 March 2021

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

Provision for expected credit losses of trade receivables (continued)

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 19(a).

The carrying amount of the Company's trade receivables as at 31 March 2021 was USD6,728,298 (2020: USD 986,089).

4. Revenue and other income

(a) Revenue

Timing of transfer of good or service	At a point in		
	<u>time</u>	<u>Over time</u>	<u>Total</u>
	USD	USD	USD
2020			
Sale of goods	12,960,663	-	12,960,663
2019			
Sale of goods	1,162,464	-	1,162,464

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

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4. Revenue and other income (continued)

(b) Other income

	<u>2021</u> USD	<u>2020</u> USD
Interest on fixed deposit	9,930	3,008
Interest on trade receivables delayed	-	21,477
Government grant	11,063	-
Rental relief	3,656	-
	<u>24,649</u>	<u>24,485</u>

Interest income is recognised using the effective interest method.

5. Administrative expenses

	<u>2021</u> USD	<u>2020</u> USD
Auditor's remuneration	5,196	3,277
Bank charges	40,371	4,596
Corporate Guarantee Commission charges	71,494	21,967
Defined contribution plan	3,130	1,836
Lease rent expenses office	22,574	20,310
Salary expenses	39,466	20,346
Sales commission expense	136,500	-
Other expenses	11,042	6,055
	<u>329,773</u>	<u>78,387</u>

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6. Profit before tax

Profit before tax has been arrived at after charging/(crediting):

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Depreciation	8	182	96
Employee benefits expense			
Staff salary		39,466	20,346
Staff defined contribution plan		3,130	1,836
		42,596	22,182
Nominee director's fee		2,186	1,103
Operating lease		22,574	20,310
Finance costs			
FBP interest charges and commission		36,956	-
Interest expense on trust receipt		41,310	-
Interest expense on unsecured loan		4,451	2,579
		82,717	2,579
Interest income		(9,930)	(24,485)

7. Income tax expense

The major components of income tax expense recognised in profit or loss for the years ended 31 March 2021 and 2020 were:

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Current income tax			
Current year	14	24,350	3,817
Overprovision in prior year	14	(135)	-
		24,215	3,817
Deferred income tax			
Movements in temporary differences	15	178	-
Income tax expense recognised in profit or loss		24,393	3,817

Notes to the Financial Statements
For the financial year ended 31 March 2021

7. Income tax expense (continued)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 2020 were as follows:

	<u>2021</u> USD	<u>2020</u> USD
Profit before tax	154,106	24,936
Income tax using the statutory tax rate of 17% (2020: 17%)	26,198	4,239
Adjustments:		
Income not subject to tax	(2,076)	-
Expenses not deductible for tax purposes	13,195	4,241
Effect on utilisation of capital allowances	-	(228)
Effect of partial tax exemption	(12,789)	(4,435)
Overprovision in prior year	(135)	-
Income tax expense recognised in profit or loss	24,393	3,817

Singapore Government has announced that for Year of Assessment (YA) 2020, all companies will receive a 25% (YA2019: 20%) Corporate Income Tax (CTI) Rebate that is subject to a cap of \$15,000 (2019: \$10,000).

The Company has estimated tax timing differences from capital allowances available for offsetting against future taxable income as follows:

	<u>2021</u> USD	<u>2020</u> USD
Unabsorbed Capital Allowances		
- Amount at beginning of year	-	-
- Amount in current year	-	1,345
- Amount utilised in current year	-	(1,345)
- Amount at end of year	-	-

The realisation of the future income tax benefits from the timing differences is available for an unlimited future period subject to there being no substantial change in shareholders as required by provisions in the Income Tax Act. Where provision for deferred tax arising from timing differences has been offset against the above tax loss carry forwards, such provision for deferred tax will be required to be set up when the tax losses are utilised in the future.

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8. Property, plant and equipment

<u>2021</u>	<u>Computers</u> USD	<u>Furniture & Fittings</u> USD	<u>Total</u> USD
Cost			
Balance at beginning of year	254	1,070	1,324
- Addition	-	-	-
- Disposals	-	-	-
Balance at end of year	254	1,070	1,324
Accumulated Depreciation and Impairment			
Balance at beginning of year	46	50	96
- Charge for the year	80	102	182
- Disposals	-	-	-
- Impairment loss	-	-	-
Balance at end of year	126	152	278
Net Book Value			
At end of year	128	918	1,046
At beginning of year	208	1,020	1,228
<u>2020</u>	<u>Computers</u> USD	<u>Furniture & Fittings</u> USD	<u>Total</u> USD
Cost			
Balance at beginning of year	-	-	-
- Addition	254	1,070	1,324
- Disposals	-	-	-
Balance at end of year	254	1,070	1,324
Accumulated Depreciation and Impairment			
Balance at beginning of year	-	-	-
- Charge for the year	46	50	96
- Disposals	-	-	-
- Impairment loss	-	-	-
Balance at end of year	46	50	96
Net Book Value			
At end of year	208	1,020	1,228
At beginning of year	-	-	-

During the year, the Company acquired property, plant and equipment with an aggregate cost of USD NIL (2020: USD1,324). Cash payments of USD NIL (2020: USD1,324) were made for purchase of property, plant and equipment.

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9. Trade and other receivables

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Trade receivables		6,533,860	986,089
Interest receivables		3,271	3,008
Other receivables		21,635	21,477
Deposits		3,395	3,966
Prepayments		2,177	1,235
Unbilled debtors		-	139,129
		<u>6,564,338</u>	<u>1,154,904</u>
Amount receivable from a related company			
- Trade		194,438	-
- Non-trade		-	-
		<u>194,438</u>	<u>-</u>
Total trade and other receivables		<u>6,758,776</u>	<u>1,154,904</u>
Prepayments		2,177	1,235
Financial assets at amortised cost	20	<u>6,756,599</u>	<u>1,153,669</u>
Total trade and other receivables		<u>6,758,776</u>	<u>1,154,904</u>

Trade receivables are non-interest bearing and are generally on 90 days' terms.

Amount receivable from a related company is unsecured, interest free and repayable on demand.

Unbilled debtors relate to satisfaction of performance obligation before year end but invoices were billed in the subsequent year end.

The Company's exposure to credit risks relating to financial assets are disclosed in note 19.

10. Cash and cash equivalents

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Cash on hand		530	3,087
Cash at banks		38,999	41,334
Fixed deposits		<u>1,009,658</u>	<u>500,000</u>
	20	<u>1,049,187</u>	<u>544,421</u>

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10. Cash and cash equivalents (continued)

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	<u>2021</u> USD	<u>2020</u> USD
Cash and cash equivalents	1,049,187	544,421
Pledged deposits	(1,009,658)	(500,000)
	<u>39,529</u>	<u>44,421</u>

Fixed deposits are pledged to the bank as one of the securities. The interest rates relating to the fixed deposits at the statement of financial position date are 0.35% and 0.9% (2020: 1.93%) per annum. The maturity dates for the fixed deposits are due on 9 December 2021 and 26 August 2021 (2020: 9 December 2020).

The Company has the following securities held with the bank:

- Fixed deposit for USD500,000;
- Standby Letter of Credit for USD500,000;
- Debenture;
- Personal guarantee for USD 4 million by two of the Directors; and
- Corporate guarantee for USD 4 million by holding company.

11. Share capital

	<u>2021</u>		<u>2020</u>	
	No. of <u>shares</u>	USD	No. of <u>shares</u>	USD
Issued and fully paid ordinary shares				
Balance at beginning of year	1,000,000	1,000,000	100,000	100,000
Issued during the year	-	-	900,000	900,000
Balance at end of year	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

During financial year 2020, the Company issued additional 900,000 ordinary share amounting to USD900,000 for cash and the proceeds were used as working capital.

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.

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12. Trade and other payables

	<u>Note</u>	<u>2021</u> USD	(Reclassified) <u>2020</u> USD
Trade payables		1,944,243	192,551
Other payables		136,543	-
Advance received		300,000	-
Accruals		24,543	3,335
		2,405,329	195,886
Amount payable to holding company			
- Non-trade		784,491	24,546
- Loan		-	180,000
		784,491	204,546
Total trade and other payables		3,189,820	400,432
Advance received		300,000	-
Financial liabilities at amortised cost	20	2,889,820	400,432
Total trade and other payables		3,189,820	400,432

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

Advance received relate to invoice issued to customers during the year while the performance obligation was satisfied in subsequent year.

Amount payable to holding company is unsecured, interest free and repayable on demand.

The loan from holding company is unsecured, interest bearing at 6.32% per annum and repayable within twelve months.

The Company's exposure to liquidity risk relating to financial liabilities is disclosed in note 19.

13. Loans and borrowings

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Non-current liabilities		-	-
Current liabilities			
Trust receipts		3,449,678	281,034
Total liabilities	20	3,449,678	281,034

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Notes to the Financial Statements
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13. Loans and borrowings (continued)

	Nominal interest rate %	Year of Maturity	<u>2021</u>		(Reclassified) <u>2020</u>	
			Face value USD	Carrying amount USD	Face value USD	Carrying amount USD
Trust receipts	3.11 - 3.972 (2020: 3)	2021	3,481,029	3,449,678	284,377	281,034

14. Income tax payable

This comprises:

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
Balance at beginning of year		3,817	-
Add: Current year provision	7	24,350	3,817
Less: Overprovision in prior year	7	(135)	-
		28,032	3,817
Less: Payments		(3,682)	-
Balance at end of year		24,350	3,817

15. Deferred tax liabilities

Movements in deferred tax assets/(liabilities) during the financial year were as follows:

	<u>Note</u>	<u>2021</u> USD	<u>2020</u> USD
On excess of net book value over tax written down value of property, plant and equipment:			
- Balance at beginning of year		-	-
- Current year	7	178	-
- Balance at end of year		178	-
Deferred tax as at 31 March relates to the following:			
Accelerated (tax)/accounting depreciation		178	-

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16. Significant related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	<u>2021</u> USD	<u>2020</u> USD
Sales to related company	608,788	-
Purchase from related company	5,994,709	-
Commission charged by holding company	74,949	21,967
Interest charged by holding company	4,451	2,579
(Repayment to)/Loan from holding company	<u>(180,000)</u>	<u>180,000</u>

(b) Compensation of key management personnel

	<u>2021</u> USD	<u>2020</u> USD
Short-term employee benefits	2,186	1,103
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>2,186</u>	<u>1,103</u>
Comprise amounts paid to:		
Directors of the Company	2,186	1,103
Other key management personnel	-	-
	<u>2,186</u>	<u>1,103</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

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17. Commitments

Operating lease commitments – as lessee

The Company has a lease contract for its office unit. As the lease has a term of 12 months, the Company applies the 'short-term lease' recognition exemption for this lease.

As at 31 March 2021, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	<u>2021</u> USD	<u>2020</u> USD
Not later than one year	3,563	3,671
Later than one year but not later than five years	-	-
Later than five years	-	-
	<u>3,563</u>	<u>3,671</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2021 amounted to USD22,574 (2020: USD20,310).

18. Fair value of assets and liabilities

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and approximate their fair values as they are subject to normal trade credit terms.

Loan to the holding company and loans and borrowings

The carrying amounts of loan to the holding company and loans and borrowings approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

19. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

Notes to the Financial Statements
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19. Financial risk management (continued)

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

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19. Financial risk management (continued)

(a) Credit risk (continued)

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Category	ECL	Gross carrying amount USD	Loss allowance USD	Net carrying amount USD
2021					
Trade receivables	Note 1	Lifetime	6,533,860	-	6,533,860
Interest receivables	I	12-month	3,271	-	3,271
Other receivables	I	12-month	21,635	-	21,635
Deposits	I	12-month	3,395	-	3,395
Amount receivable from a related company	Note 1	12-month	194,438	-	194,438
			6,756,599	-	6,756,599

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19. Financial risk management (continued)

(a) Credit risk (continued)

	Category	ECL	Gross carrying amount USD	Loss allowance USD	Net carrying amount USD
2020					
Trade receivables	Note 1	Lifetime	986,089	-	986,089
Interest receivables	I	12-month	3,008	-	3,008
Other receivables	I	12-month	21,477	-	21,477
Deposits	I	12-month	3,966	-	3,966
Unbilled debtors	I	12-month	139,129	-	139,129
			1,153,669	-	1,153,669

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2021 and 2020.

	Trade receivables					
	Days past due					
	Not past due	≤30 days	31-60 days	61-90 days	>90 days	Total
	\$	\$	\$	\$	\$	\$
31 March 2021						
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	5,568,922	-	-	118,173	1,041,203	6,728,298
ECL	-	-	-	-	-	-
						<u>6,728,298</u>
31 March 2020						
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	352,778	-	-	534,588	98,723	986,089
ECL	-	-	-	-	-	-
						<u>986,089</u>

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19. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term 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. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount USD	Contractual cash flows USD	One year or less USD	One to five years USD
2021				
<u>Financial assets</u>				
Trade and other receivables	6,756,599	6,756,599	6,756,599	-
Cash and cash equivalents	1,049,187	1,049,187	1,049,187	-
Total undiscounted financial assets	7,805,786	7,805,786	7,805,786	-
<u>Financial liabilities</u>				
Trade and other payables	2,889,820	2,889,820	2,889,820	-
Loans and borrowings	3,449,678	3,481,029	3,481,029	-
Total undiscounted financial liabilities	6,339,498	6,370,849	6,370,849	-
Total net undiscounted financial assets	1,466,288	1,434,937	1,434,937	-

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19. Financial risk management (continued)

(b) Liquidity risk (continued)

	Carrying amount USD	Contractual cash flows USD	One year or less USD	One to five years USD
2020 (Reclassified)				
<u>Financial assets</u>				
Trade and other receivables	1,153,669	1,153,669	1,153,669	-
Cash and cash equivalents	544,421	544,421	544,421	-
Total undiscounted financial assets	1,698,090	1,698,090	1,698,090	-
<u>Financial liabilities</u>				
Trade and other payables	400,432	411,808	411,808	-
Loans and borrowings	281,034	284,377	284,377	-
Total undiscounted financial liabilities	681,466	696,185	696,185	-
Total net undiscounted financial assets	1,016,624	1,001,905	1,001,905	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents and the loan from holding company.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

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19. Financial risk management (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	Nominal Interest rates %	Carrying amount	
		<u>2021</u> USD	<u>2020</u> USD
Variable rate instruments			
Financial liabilities			
- Loan from holding company	LIBOR + 4%	-	180,000
- Loan and borrowings	3.11 - 3.972 (2020: 3)	3,449,678	281,034
		<u>3,449,678</u>	<u>461,034</u>

At the reporting date, if the interest rates had been 100 basis points higher/lower with all other variables held constant, the Company's profit before tax would have been USD34,997 (2020: USD4,610) higher/lower, arising mainly as a result of higher/lower interest income/expenses on floating rate on bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level.

The Company has transactional currency exposures arising from financial instruments that are denominated in a currency other than the functional currency of the Company, primarily Singapore Dollar (SGD).

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19. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

The Company's currency exposure to the Singapore dollar at the reporting date were as follows:

	Singapore dollar USD	United States dollar USD	Total USD
2021			
<u>Financial assets</u>			
Trade and other receivables	3,553	6,753,046	6,756,599
Cash and cash equivalents	24,102	1,025,085	1,049,187
	<u>27,655</u>	<u>7,778,131</u>	<u>7,805,786</u>
<u>Financial liabilities</u>			
Trade and other payables	(6,030)	(2,883,790)	(2,889,820)
Loans and borrowings	-	(3,449,678)	(3,449,678)
	<u>(6,030)</u>	<u>(6,333,468)</u>	<u>(6,339,498)</u>
Currency exposure	<u>21,625</u>	<u>1,444,663</u>	<u>1,466,288</u>
2020			
<u>Financial assets</u>			
Trade and other receivables	3,966	1,149,703	1,153,669
Cash and cash equivalents	16,589	527,832	544,421
	<u>20,555</u>	<u>1,677,535</u>	<u>1,698,090</u>
<u>Financial liabilities</u>			
Trade and other payables	(2,500)	(397,932)	(400,432)
Loans and borrowings	-	(281,034)	(281,034)
	<u>(2,500)</u>	<u>(678,966)</u>	<u>(681,466)</u>
Currency exposure	<u>18,055</u>	<u>998,569</u>	<u>1,016,624</u>

A 10% strengthening of United States Dollar against the foreign currency denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	<u>Profit or Loss</u>		<u>Equity</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	USD	USD	USD	USD
Singapore dollar	(2,163)	(1,806)	-	-

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19. Financial risk management (continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

A 10% weakening of United States Dollar against the above currency would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

20. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities were as follows:

	<u>Note</u>	<u>2021</u> USD	(Reclassified) <u>2020</u> USD
Financial assets measured at amorised cost			
Trade and other receivables	9	6,756,599	1,153,669
Cash and cash equivalents	10	1,049,187	544,421
		<u>7,805,786</u>	<u>1,698,090</u>
Financial liabilities measured at amorised cost			
Trade and other payables	12	2,889,820	400,432
Loans and borrowings	13	3,449,678	281,034
		<u>6,339,498</u>	<u>681,466</u>

21. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2021 and 31 March 2020.

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21. Capital management (continued)

	<u>2021</u> USD	<u>2020</u> USD
Total liabilities	6,664,026	685,283
Less: Cash and cash equivalents	(1,049,187)	(544,421)
Net debt	<u>5,614,839</u>	<u>140,862</u>
 Total equity	 1,144,983	 1,015,270
Less: hedging reserve (including cost of hedging) to cash flow hedges	 -	 -
Adjusted equity	<u>1,144,983</u>	<u>1,015,270</u>
Net debt to adjusted equity ratio	<u>4.90</u>	<u>0.14</u>

22. Comparative information

Trust receipt is a type of short-term import loan to provide buyer with financing to settle goods imported under Letter of Credit where title of goods is held by the bank. In year 2020, the Company's trust receipt of USD281,034 was included in 'Trade and other payables'. The amount was reclassified to 'Loans and Borrowings' to conform with current year's presentation.

The financial statements for the year 2020 were reclassified retrospectively to correct the following reclassification. The effect of the reclassification on these financial statements is summarised below. There is no effect in the equity for the year 2021.

	<u>2020</u> <u>As restated</u> USD	<u>2020</u> <u>As previously</u> <u>stated</u> USD	<u>Net</u> <u>Effect</u> USD
<u>Statement of Financial Position</u>			
Trade and other payables	400,432	681,466	(281,034)
Loan and borrowings	281,034	-	281,034
	<u>681,466</u>	<u>681,466</u>	<u>-</u>

23. Change of name

During the year, the Company changed its name from Mangalprakash (Singapore) Pte. Ltd. to Mangalam Global (Singapore) Pte. Ltd. with effect from 25 September 2020.

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Notes to the Financial Statements
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24. Impact of Covid-19

The novel coronavirus (COVID-19) pandemic is still evolving, and will likely to impact the immediate short-term performance of the Company's operations.

The ECL at 31 March 2021 was estimated based on a range of forecast economic conditions as at that date. The impact on GDP and other key indicators will be considered when determining the severity and likelihood of downside economic scenarios that will be used to estimate ECL under FRS 109 in 2021.

It is currently difficult to predict the magnitude of the impact on the global economy and consumer sentiment as the tenure and severity of the virus outbreak is still unknown. The Company continue to monitor the impact of the virus outbreak on their financial position and operating results.

25. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 11 June 2021.

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Detailed Profit or Loss
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	<u>2021</u> USD	<u>2020</u> USD
Sales	12,960,663	1,162,464
Purchases	(12,418,716)	(1,081,047)
Gross profit	<u>541,947</u>	<u>81,417</u>
Other income		
Interest on fixed deposit	9,930	3,008
Interest on trade receivables delayed	-	21,477
Government grant	11,063	-
Rental relief	3,656	-
	<u>24,649</u>	<u>24,485</u>
Operating expenses		
Auditor's remuneration	5,196	3,277
Annual Return fee	-	43
Bank charges	40,371	4,596
Certificate charges	74	-
Corporate Guarantee Commission charges	71,494	21,967
Defined contribution plan	3,130	1,836
Depreciation	182	96
Entertainment expenses	18	4
Loss in exchange	348	1,219
Filing fees	1,144	362
Franking / Stamp duty expenses	81	90
Handling charges	1,994	-
Lease rent expenses office	22,574	20,310
Legal fees	1,520	1,552
Nominee director's fee	2,186	1,103
Office expenses	289	124
Pantry expenses	-	37
Penalty expenses	27	-
Postage and courier charges	288	91
Printing and stationery	121	377
Professional fee	668	-
Salary expenses	39,466	20,346
Sales commission expense	136,500	-
SDL expenses	99	49
Secretarial fees	706	321
Telephone and internet charges	968	312
Transport expense	50	-
Water and light	279	275
	<u>(329,773)</u>	<u>(78,387)</u>

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Detailed Profit or Loss
For the financial year ended 31 March 2021

	<u>2021</u> USD	<u>2020</u> USD
Finance costs		
FBP interest charges and commission	36,956	-
Interest on unsecured loan	4,451	2,579
Trust receipt interest and charges	41,310	-
	(82,717)	(2,579)
Profit before tax	<u>154,106</u>	<u>24,936</u>

The above statement does not form part of the statutory audited financial statements of the Company and is prepared for management purposes only.