



CSI & CO. PAC
Audit
Singapore

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.
(Co. Reg. No. 201835786W)

Audited Financial Statements
For the financial year ended 31 March 2023

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MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Directors' Statement

For the financial year ended 31 March 2023

The directors are pleased to present their statement to the members together with the audited financial statements of Mangalam Global (Singapore) Pte. Ltd. (the Company) for the financial year ended 31 March 2023.

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 2023 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
Chanakya Prakash Mangal
Chandragupt Prakash Mangal
Fok Chee Khuen

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 1967 (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	-	-	111,553	120,185
Chanakya Prakash Mangal	-	-	201,141	190,158
Chandragupt Prakash Mangal	-	-	111,553	201,398
Fok Chee Khuen	-	-	-	-

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Directors' Statement
For the financial year ended 31 March 2023**

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

Name of directors	<u>Direct interest</u>		<u>Deemed interest</u>	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of Holding Company				
<i>Mangalam Global Enterprise Limited</i>				
Vipin Prakash Mangal	1,935,410	12,489,550	-	-
Chanakya Prakash Mangal	3,489,725	19,761,125	-	-
Chandragupt Prakash Mangal	1,935,410	20,929,100	-	-

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




Chanakya Prakash Mangal
Director

29 April 2023

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mangalam Global (Singapore) Pte. Ltd. (the Company), which comprise the statement of financial position as at 31 March 2023, 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 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

**Independent Auditor's Report
For the financial year ended 31 March 2023**

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**Independent Auditor's Report
For the financial year ended 31 March 2023**

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

29 April 2023

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 31 March 2023**

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Revenue	4	24,835,561	13,083,455
Cost of sales		(24,185,439)	(12,717,981)
		650,122	365,474
Other income	4	27,129	10,316
Administrative expenses	5	(247,879)	(231,612)
Finance costs	6	(203,597)	(94,381)
Profit before tax	6	225,775	49,797
Income tax expense	7	(38,710)	(10,176)
PROFIT FOR THE YEAR		187,065	39,621
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		187,065	39,621

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Statement of Financial Position
As at 31 March 2023**

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
ASSETS			
Non-current assets			
Property, plant and equipment	8	999,363	966
Current assets			
Trade and other receivables	9	6,466,582	4,076,445
Amount receivable from a related company	9	-	161,587
Cash and cash equivalents	10	883,260	1,743,574
		7,349,842	5,981,606
Total assets		8,349,205	5,982,572
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,499,950	1,499,950
Retained earnings		371,669	184,604
Equity attributable to owners of the Company		1,871,619	1,684,554
Non-current liabilities			
Deferred tax liabilities	15	176	164
Current liabilities			
Trade and other payables	12	4,511,511	990,948
Amount payable to holding company	12	9,699	351,859
Loans and borrowings	13	1,917,526	2,944,664
Income tax payable	14	38,674	10,383
		6,477,410	4,297,854
Total liabilities		6,477,586	4,298,018
Total equity and liabilities		8,349,205	5,982,572

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Statement of Changes in Equity
For the financial year ended 31 March 2023**

	<u>Note</u>	<u>Share Capital USD</u>	<u>Retained Earnings USD</u>	<u>Total USD</u>
At 1 April 2021		1,000,000	144,983	1,144,983
Issue of share capital	11	499,950	-	499,950
Total comprehensive income for the year		-	39,621	39,621
At 31 March 2022		1,499,950	184,604	1,684,554
Total comprehensive income for the year		-	187,065	187,065
At 31 March 2023		1,499,950	371,669	1,871,619

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Statement of Cash Flows
For the financial year ended 31 March 2023

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Cash flows from operating activities			
Profit before tax		225,775	49,797
Adjustments for:			
Depreciation	8	12,082	187
Interest expense		203,597	94,381
Interest income		(14,685)	(9,162)
		200,994	85,406
		426,769	135,203
Change in working capital:			
(Increase)/Decrease in:			
Trade and other receivables		(2,390,137)	2,487,893
Amount receivable from a related company		161,587	32,851
Increase/(Decrease) in:			
Trade and other payables		3,520,563	(1,414,381)
Amount payable to holding company		(342,160)	(432,632)
		949,853	673,731
Cash generated from/(used in) operations		1,376,622	808,934
Income tax refund	14	-	354
Income tax paid	14	(10,407)	(24,511)
<i>Net cash from/(used in) operating activities</i>		<i>1,366,215</i>	<i>784,777</i>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(1,010,479)	(107)
Interest income		14,685	9,162
Fixed deposit pledged		939,923	(506,372)
<i>Net cash from/(used in) investing activities</i>		<i>(55,871)</i>	<i>(497,317)</i>
Cash flows from financing activities			
Interest paid		(203,597)	(94,381)
Shares issued	11	-	499,950
Repayment of trust receipts		(1,027,138)	(505,014)
<i>Net cash from/(used in) financing activities</i>		<i>(1,230,735)</i>	<i>(99,445)</i>
Net decrease in cash and cash equivalents		79,609	188,015
Cash and cash equivalents at beginning of year	10	227,544	39,529
Cash and cash equivalents at end of year	10	307,153	227,544

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Statement of Cash Flows
For the financial year ended 31 March 2023

Reconciliation of liabilities arising from financing activities

	- Non-cash -			
	As at 1 <u>April</u> USD	Financing <u>cash flows</u> USD	Interest expense <u>recognised</u> USD	As at 31 <u>March</u> USD
2023				
Loans and borrowings	2,944,664	(1,230,735)	203,597	1,917,526
2022				
Loans and borrowings	3,449,678	(599,395)	94,381	2,944,664

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

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

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. (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 2022. 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

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

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

The following are new / revised / amendments to FRSs issued by the Accounting Standards Council of Singapore up to 31 March 2023 which are effective for annual reporting periods beginning after 1 April 2023:

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024

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
Office equipment	10 years
Leasehold property	47 years

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.

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.

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)

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.

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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

2. Summary of significant accounting policies (continued)

2.15 Revenue (continued)

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.

(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. Summary of significant accounting policies (continued)

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.

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 2023 was USD5,959,606 (2022: USD4,110,637).

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Notes to the Financial Statements
For the financial year ended 31 March 2023**

4. Revenue and other income

(a) Revenue

Timing of transfer of good or service	At a point in time USD	Over time USD	Total USD
2023			
Sale of goods	24,835,561	-	24,835,561
2022			
Sale of goods	13,083,455	-	13,083,455

(b) Other income

	<u>2023</u> USD	<u>2022</u> USD
Interest on fixed deposit	14,685	5,475
Interest on trade receivables delayed	-	3,687
Government grant	429	1,107
Rental income	10,412	-
Other income	1,603	47
	<u>27,129</u>	<u>10,316</u>

Interest income is recognised using the effective interest method.

5. Administrative expenses

	<u>2023</u> USD	<u>2022</u> USD
Auditor's remuneration	8,959	8,653
Bank charges	56,337	59,978
Corporate guarantee commission charges	60,000	77,090
Defined contribution plan	4,689	4,043
Depreciation	12,082	187
Lease rent expenses office	20,907	22,884
Salary expenses	54,777	46,494
Other expenses	30,128	12,283
	<u>247,879</u>	<u>231,612</u>

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements
For the financial year ended 31 March 2023

6. Profit before tax

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

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Depreciation	8	12,082	187
Employee benefits expense			
Staff salary		54,777	46,494
Staff defined contribution plan		4,689	4,043
		59,466	50,537
Nominee director's fee		2,186	2,113
Operating lease		21,351	22,884
Finance costs			
FBP interest charges and commission		34,767	22,037
Interest expense on trust receipt		168,830	72,344
		203,597	94,381
Interest on trade receivables delayed		-	(3,687)
Interest on fixed deposit		(14,685)	(5,475)

7. Income tax expense

The major components of income tax expense recognised in profit or loss for the years ended 31 March 2023 and 2022 were:

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Current income tax			
Current year	14	38,674	10,383
Under/(Over)provision in prior year	14	24	(193)
		38,698	10,190
Deferred income tax			
Origination and reversal of temporary differences	15	12	(14)
Income tax expense recognised in profit or loss		38,710	10,176

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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 2023 and 2022 were as follows:

	<u>2023</u> USD	<u>2022</u> USD
Profit before tax	225,775	49,797
Income tax using the statutory tax rate of 17% (2022: 17%)	38,382	8,465
Adjustments:		
Income not subject to tax	(51)	(188)
Expenses not deductible for tax purposes	13,091	13,123
Effect on utilisation of capital allowances	(41)	(18)
Effect of partial tax exemption	(12,695)	(11,013)
Under/(Over)provision in prior year	24	(193)
Income tax expense recognised in profit or loss	38,710	10,176

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

	<u>2023</u> USD	<u>2022</u> USD
Unabsorbed Capital Allowances		
- Amount at beginning of year	-	-
- Amount in current year	240	107
- Amount utilised in current year	(240)	(107)
- 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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements
For the financial year ended 31 March 2023

8. Property, plant and equipment

<u>2023</u>	<u>Leasehold Property USD</u>	<u>Computers USD</u>	<u>Furniture & Fittings USD</u>	<u>Office equipment USD</u>	<u>Total USD</u>
Cost					
Balance at beginning of year	-	254	1,070	107	1,431
- Addition	1,010,239	240	-	-	1,010,479
- Disposals	-	-	-	-	-
Balance at end of year	1,010,239	494	1,070	107	1,011,910
Accumulated Depreciation and Impairment					
Balance at beginning of year	-	206	252	7	465
- Charge for the year	11,912	53	99	18	12,082
- Disposals	-	-	-	-	-
- Impairment loss	-	-	-	-	-
Balance at end of year	11,912	259	351	25	635
Net Book Value					
At end of year	998,327	235	719	82	999,363
At beginning of year	-	48	818	100	966

<u>2022</u>	<u>Computers USD</u>	<u>Furniture & Fittings USD</u>	<u>Office equipment USD</u>	<u>Total USD</u>
Cost				
Balance at beginning of year	254	1,070	-	1,324
- Addition	-	-	107	107
- Disposals	-	-	-	-
Balance at end of year	254	1,070	107	1,431
Accumulated Depreciation and Impairment				
Balance at beginning of year	126	152	-	278
- Charge for the year	80	100	7	187
- Disposals	-	-	-	-
- Impairment loss	-	-	-	-
Balance at end of year	206	252	7	465
Net Book Value				
At end of year	48	818	100	966
At beginning of year	128	918	-	1,046

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

8. Property, plant and equipment (continued)

During the year, the Company acquired property, plant and equipment with an aggregate cost of USD1,010,479 (2022: USD 107). Cash payments of USD1,010,479 (2022: USD107) were made for purchase of property, plant and equipment.

9. Trade and other receivables

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Trade receivables		5,959,606	3,949,050
Interest receivables		9,637	2,374
Other receivables		-	21,477
Deposits		6,227	39,412
GST receivables		750	-
Prepayments		3,122	1,430
Advance billing from supplier		487,240	62,702
		6,466,582	4,076,445
Amount receivable from a related company			
- Trade		-	161,587
- Non-trade		-	-
		-	161,587
Total trade and other receivables		6,466,582	4,238,032
Advance billing from supplier		487,240	62,702
GST receivables		750	-
Prepayments		3,122	1,430
Financial assets at amortised cost	20	5,975,470	4,173,900
Total trade and other receivables		6,466,582	4,238,032

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.

Advance billing from suppliers relates to amount paid in advances to suppliers but goods received in subsequent year.

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>2023</u> USD	<u>2022</u> USD
Cash on hand		193	236
Cash at banks		306,960	227,308
Fixed deposits		576,107	1,516,030
	20	883,260	1,743,574

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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>2023</u> USD	<u>2022</u> USD
Cash and cash equivalents	883,260	1,743,574
Pledged deposits	(576,107)	(1,516,030)
	<u>307,153</u>	<u>227,544</u>

Fixed deposits are pledged to the bank as one of the securities. The weighted average interest rates relating to the fixed deposits are 2.60% and 4.50% (2022: 0.5%) per annum. The maturity dates range from 28 August 2023 to 28 December 2023 (2022: 9 December 2022 to 2 February 2023).

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,
- Corporate guarantee for USD 4 million by holding company; and
- Open legal mortgage on property

11. Share capital

	<u>2023</u>		<u>2022</u>	
	<u>No. of shares</u>	USD	<u>No. of shares</u>	USD
Issued and fully paid ordinary shares				
Balance at beginning of year	1,333,300	1,499,950	1,000,000	1,000,000
Additions	-	-	333,300	499,950
Balance at end of year	<u>1,333,300</u>	<u>1,499,950</u>	<u>1,333,300</u>	<u>1,499,950</u>

During the financial year 2022, the Company increased its paid up capital from USD1,000,000 to USD1,499,950 by a further allotment of 333,300 ordinary shares amounting to USD499,950 to its existing holding company.

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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Notes to the Financial Statements
For the financial year ended 31 March 2023**

12. Trade and other payables

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Trade payables		4,079,404	294,440
Advance billing to customer		-	65,054
Other payables		24,477	-
Advance received		300,000	600,000
Accruals		107,630	31,454
		4,511,511	990,948
Amount payable to holding company			
- Non-trade		9,699	351,859
Total trade and other payables		4,521,210	1,342,807
Deferred income		-	65,054
Advance received		300,000	600,000
Financial liabilities at amortised cost	20	4,221,210	677,753
Total trade and other payables		4,521,210	1,342,807

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

Advance billing to customer relates to the sales invoice raised in advance for the goods which have yet to be delivered to the customer.

Advance received relates to advance received from customer while the performance obligation was satisfied in subsequent year.

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

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

13. Loans and borrowings

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Non-current liabilities		-	-
Current liabilities			
Trust receipts		1,917,526	2,944,664
Total liabilities	20	1,917,526	2,944,664

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements
For the financial year ended 31 March 2023

13. Loans and borrowings (continued)

				<u>2023</u>		<u>2022</u>	
	Nominal interest rate %	Year of Maturity	Face value USD	Carrying amount USD	Face value USD	Carrying amount USD	
Trust receipts (2022: 2.85 - 4.20)	7.01 - 9.14	2023	1,971,285	1,917,526	2,958,934	2,944,664	

14. Income tax payable

This comprises:

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
Balance at beginning of year		10,383	24,350
Add: Current year provision	7	38,674	10,383
Add/(Less): Unver/(Over)provision in prior year	7	24	(193)
		49,081	34,540
Add: Refund		-	354
Less: Payments		(10,407)	(24,511)
Balance at end of year		38,674	10,383

15. Deferred tax liabilities

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

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
On excess of net book value over tax written down value of property, plant and equipment:			
- Balance at beginning of year		164	178
- Current year	7	12	(14)
- Balance at end of year		176	164
Deferred tax as at 31 March relates to the following:			
Accelerated (tax)/accounting depreciation		176	164

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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>2023</u> USD	<u>2022</u> USD
Sales to related company	158,316	2,535,338
Purchases from holding company	-	1,412,262
Commission charged by holding company	60,000	77,090

(b) Compensation of key management personnel

	<u>2023</u> USD	<u>2022</u> USD
Short-term employee benefits	-	-
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>-</u>	<u>-</u>
Comprise amounts paid to:		
Directors of the Company	-	-
Other key management personnel	-	-
	<u>-</u>	<u>-</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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

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 2023, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	<u>2023</u> USD	<u>2022</u> USD
Not later than one year	3,617	3,547
Later than one year but not later than five years	-	-
Later than five years	-	-
	<u>3,617</u>	<u>3,547</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2023 amounted to USD20,907 (2022: USD22,884).

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.

Loans and borrowings

The carrying amounts of loans and borrowings approximate its fair values as is 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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

Notes to the Financial Statements For the financial year ended 31 March 2023

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
2023					
Trade receivables	Note 1	Lifetime	5,959,606	-	5,959,606
Interest receivables	I	12-month	9,637	-	9,637
Deposits	I	12-month	6,227	-	6,227
			<u>5,975,470</u>	<u>-</u>	<u>5,975,470</u>

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Notes to the Financial Statements
For the financial year ended 31 March 2023**

19. Financial risk management (continued)

(a) Credit risk (continued)

	Category	ECL	Gross carrying amount USD	Loss allowance USD	Net carrying amount USD
2022					
Trade receivables	Note 1	Lifetime	3,949,050	-	3,949,050
Interest receivables	I	12-month	2,374	-	2,374
Other receivables	I	12-month	21,477	-	21,477
Deposits	I	12-month	39,412	-	39,412
Amount receivable from a related company (trade)	Note 1	Lifetime	161,587	-	161,587
			4,173,900	-	4,173,900

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 2023 and 2022.

	Trade receivables					
	Not past due	≤30 days	Days past due			Total
			31-60 days	61-90 days	>90 days	
	USD	USD	USD	USD	USD	USD
2023						
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	3,629,637	-	13,050	-	2,316,919	5,959,606
ECL	-	-	-	-	-	-
						5,959,606
2022						
ECL rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	3,194,164	-	-	-	916,473	4,110,637
ECL	-	-	-	-	-	-
						4,110,637

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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
2023				
<u>Financial assets</u>				
Trade and other receivables	5,975,470	5,975,470	5,975,470	-
Cash and cash equivalents	883,260	883,260	883,260	-
Total undiscounted financial assets	<u>6,858,730</u>	<u>6,858,730</u>	<u>6,858,730</u>	<u>-</u>
<u>Financial liabilities</u>				
Trade and other payables	4,221,210	4,221,210	4,221,210	-
Loans and borrowings	1,917,526	1,971,285	1,971,285	-
Total undiscounted financial liabilities	<u>6,138,736</u>	<u>6,192,495</u>	<u>6,192,495</u>	<u>-</u>
Total net undiscounted financial assets	<u>719,994</u>	<u>666,235</u>	<u>666,235</u>	<u>-</u>

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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
2022				
<u>Financial assets</u>				
Trade and other receivables	4,173,900	4,173,900	4,173,900	-
Cash and cash equivalents	1,743,574	1,743,574	1,743,574	-
Total undiscounted financial assets	5,917,474	5,917,474	5,917,474	-
<u>Financial liabilities</u>				
Trade and other payables	677,753	677,753	677,753	-
Loans and borrowings	2,944,664	2,958,934	2,958,934	-
Total undiscounted financial liabilities	3,622,417	3,636,687	3,636,687	-
Total net undiscounted financial assets	2,295,057	2,280,787	2,280,787	-

(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.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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>2023</u> USD	<u>2022</u> USD
Variable rate instruments			
Financial liabilities			
- Loan and borrowings	7.01 - 9.14 (2022: 2.85 - 4.20)	1,917,526	2,944,664
		<u>1,917,526</u>	<u>2,944,664</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 USD19,175 (2022: USD29,447) 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).

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Notes to the Financial Statements
For the financial year ended 31 March 2023**

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
2023			
Financial assets			
Trade and other receivables	-	5,975,470	5,975,470
Cash and cash equivalents	12,761	870,499	883,260
	<u>12,761</u>	<u>6,845,969</u>	<u>6,858,730</u>
Financial liabilities			
Trade and other payables	(7,402)	(4,213,808)	(4,221,210)
Loans and borrowings	-	(1,917,526)	(1,917,526)
	<u>(7,402)</u>	<u>(6,131,334)</u>	<u>(6,138,736)</u>
Currency exposure	<u>5,359</u>	<u>714,635</u>	<u>719,994</u>
2022			
Financial assets			
Trade and other receivables	3,412	4,170,488	4,173,900
Cash and cash equivalents	25,417	1,718,157	1,743,574
	<u>28,829</u>	<u>5,888,645</u>	<u>5,917,474</u>
Financial liabilities			
Trade and other payables	(12,288)	(665,465)	(677,753)
Loans and borrowings	-	(2,944,664)	(2,944,664)
	<u>(12,288)</u>	<u>(3,610,129)</u>	<u>(3,622,417)</u>
Currency exposure	<u>16,541</u>	<u>2,278,516</u>	<u>2,295,057</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.

	Profit or loss		Equity	
	<u>2023</u>	<u>2021</u>	<u>2023</u>	<u>2021</u>
	USD	USD	USD	USD
Singapore dollar	<u>(536)</u>	<u>(1,654)</u>	<u>-</u>	<u>-</u>

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****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>2023</u> USD	<u>2022</u> USD
Financial assets measured at amortised cost			
Trade and other receivables	9	5,975,470	4,173,900
Cash and cash equivalents	10	883,260	1,743,574
		<u>6,858,730</u>	<u>5,917,474</u>
Financial liabilities measured at amortised cost			
Trade and other payables	12	4,221,210	677,753
Loans and borrowings	13	1,917,526	2,944,664
		<u>6,138,736</u>	<u>3,622,417</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 2023 and 31 March 2022.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Notes to the Financial Statements
For the financial year ended 31 March 2023****21. Capital management (continued)**

	<u>2023</u> USD	<u>2022</u> USD
Total liabilities	6,477,586	4,298,018
Less: Cash and cash equivalents	(883,260)	(1,743,574)
Net debt	<u>5,594,326</u>	<u>2,554,444</u>
 Total equity	 1,871,619	 1,684,554
Less: hedging reserve (including cost of hedging) to cash flow hedges		
Adjusted equity	<u>1,871,619</u>	<u>1,684,554</u>
Net debt to adjusted equity ratio	<u>2.99</u>	<u>1.52</u>

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 29 April 2023.

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.

**Detailed Profit or Loss
For the financial year ended 31 March 2023**

	<u>2023</u> USD	<u>2022</u> USD
Sales	24,835,561	13,083,455
Purchases	(24,185,439)	(12,717,981)
Gross profit	650,122	365,474
Other income		
Interest on fixed deposit	14,685	5,475
Interest on trade receivables delayed	-	3,687
Government grant	429	1,107
Gain in exchange	1,603	-
Rental income	10,412	-
Other income	-	47
	27,129	10,316
Administrative expenses		
Auditor's remuneration	8,959	8,653
Bank charges	56,337	59,978
Corporate guarantee commission charges	60,000	77,090
Defined contribution plan	4,689	4,043
Depreciation	12,082	187
Entertainment expenses	197	-
Filing fees	1,095	784
Franking / Stamp duty expenses	85	43
General expenses	486	4,118
Gift and articles	-	179
Handling charges	8,465	-
Lease rent expenses office	20,907	22,884
Legal fees	-	42
Loss in exchange	-	98
Nominee director's fee	2,186	2,113
Office expenses	448	81
Office maintenance	3,336	-
Pantry expenses	-	4
Penalty expenses	523	-
Postage and courier charges	976	207
Printing and stationery	469	221
Property tax	1,572	-
Professional fee	7,307	1,047
Balance carried forward	190,119	181,772

MANGALAM GLOBAL (SINGAPORE) PTE. LTD.**Detailed Profit or Loss
For the financial year ended 31 March 2023**

	<u>2023</u> USD	<u>2022</u> USD
Administrative expenses		
Balance brought forward	190,119	181,772
Rental of printer	444	-
Salary expenses	54,777	46,494
SDL expenses	104	94
Secretarial fees	713	714
Subscription and membership fee	297	658
Telephone and internet charges	988	1,150
Transport expense	38	17
Water and light	399	713
	(247,879)	(231,612)
Finance costs		
FBP interest charges and commission	34,767	22,037
Trust receipt interest and charges	168,830	72,344
	(203,597)	(94,381)
Profit before tax	<u>225,775</u>	<u>49,797</u>

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