A. K. CAPITAL (SINGAPORE) PTE. LTD.

(Company Registration No. 201320478E)

Financial Statements For The Year Ended March 31, 2023

A. K. Capital (Singapore) Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Atul Kumar Mittal
Aditi Mittal

Secretary

Lakhpati Priti

Registered Office

14 Robinson Road
#08-01A Far East Finance Building
Singapore 048545

Auditors

Natarajan & Swaminathan
Chartered Accountants of Singapore
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

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A. K. Capital (Singapore) Pte. Ltd.

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

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2023.

1 Directors

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

Atul Kumar Mittal
Aditi Mittal

2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of 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 through the acquisition of shares in, or debentures of the Company or any other body corporate.

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

Name of director	At beginning of year	At end of year
Company		
Number of ordinary shares		
Atul Kumar Mittal		
- Deemed interest	865,000	865,000

4 Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares of the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

5 Auditors

The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

6 Directors' opinion

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 March 31, 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore; 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.

The Board of Directors

ATUL KUMAR MITTAL

Digitally signed by ATUL KUMAR MITTAL
DN: c=IN, o=Personal, pseudonym=2d1246260e8e4f9660d29234bb9f9b65a7d194d931c7408be2811869a7e0afc5, postalCode=400005, st=MAHARASHTRA, serialNumber=fd3e66815a1143e5a2bedd45aad6e1f0d8ad6bf7bad96732baneb497fb6836c2f, cn=ATUL KUMAR MITTAL
Date: 2023.05.24 17:41:13 +05'30'

Atul Kumar Mittal

ADITI MITTAL

Digitally signed by ADITI MITTAL
DN: cn=ADITI MITTAL, o, ou, email=compliance@akgroup.co.in, c=IN
Date: 2023.05.24 17:42:01 +05'30'

Aditi Mittal

Date: May 24, 2023

NATARAJAN & SWAMINATHAN
CHARTERED ACCOUNTANTS OF SINGAPORE

1 NORTH BRIDGE ROAD, #19-04/05,
HIGH STREET CENTRE,
SINGAPORE 179094
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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 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 (SSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
(Incorporated in the Republic of Singapore)

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 FRS, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 SSA 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 SSA, 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.

Auditors' Responsibilities for the Audit of the Financial Statements *(Cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

Natarajan & Swaminathan

Natarajan & Swaminathan
Public Accountants and Chartered Accountants Singapore

Date: May 24, 2023

A. K. Capital (Singapore) Pte. Ltd.

Statement of Financial Position

As at March 31, 2023

	Note	2023	2022
		S$	S$
Assets			
Non-current assets			
Plant and equipment	3	177,559	326,826
Total non-current assets		177,559	326,826
Current assets			
Other receivables	4	131	25,000
Cash and bank balances	5	718,615	1,203,727
Total current assets		718,746	1,228,727
Total assets		**896,305**	**1,555,553**
Equity and liabilities			
Equity			
Share capital	6	904,884	904,884
Accumulated (losses)/profits		(298,738)	219,808
Total equity		606,146	1,124,692
Current liabilities			
Other payables and accruals	7	290,159	292,567
Lease liabilities	8	-	122,044
Income tax payable		-	16,250
Total current liabilities		290,159	430,861
Total liabilities		290,159	430,861
Total equity and liabilities		**896,305**	**1,555,553**

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

A. K. Capital (Singapore) Pte. Ltd.

Statement of Comprehensive Income

For the financial year ended March 31, 2023

	Note	2023	2022
		S$	S$
Revenue	9	-	1,166,246
Other income	10	-	6
Salaries and employee benefits	11	(330,636)	(792,610)
Depreciation of plant and equipment	3	(149,267)	(173,044)
Other operating expenses		(35,592)	(27,552)
Finance cost	12	(2,956)	(10,409)
(Loss)/Profit before income tax	13	(518,451)	162,637
Income tax expense	14	(95)	(16,250)
(Loss)/Profit after income tax		(518,546)	146,387
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		**(518,546)**	**146,387**

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

A. K. Capital (Singapore) Pte. Ltd.

Statement of Changes in Equity

For the financial year ended March 31, 2023

	Share capital	Accumulated (losses)/profits	Total
	S$	S$	S$
Balance as at 01.04.2021	**904,884**	**73,421**	**978,305**
Total comprehensive income for the year	-	146,387	146,387
Balance as at 31.03.2022	**904,884**	**219,808**	**1,124,692**
Total comprehensive loss for the year	-	(518,546)	(518,546)
Balance as at 31.03.2023	**904,884**	**(298,738)**	**606,146**

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

A. K. Capital (Singapore) Pte. Ltd.

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

	2023	2022
	S$	S$
Cash flow from operating activities		
(Loss)/Profit before income tax	(518,451)	162,637
Adjustments for:		
Depreciation of plant and equipment	149,267	173,044
Interest income	-	(6)
Interest expense	2,956	10,409
Operating (loss)/profit before working capital changes	(366,228)	346,084
Other receivables	24,869	18,000
Other payables and accruals	2,054	1,926
Cash (used in)/generated from operations	(339,305)	366,010
Interest received	-	6
Income tax paid	(16,345)	(8,335)
Foreign tax paid	-	-
Net cash (used in)/from operating activities	(355,650)	357,681
Cash flow from financing activities		
Payment of principal portion of lease liabilities	(125,000)	(150,000)
Other payables - related party and directors	(4,462)	253,990
Net cash (used in)/from financing activities	(129,462)	103,990
Net (decrease)/increase in cash and cash equivalents	(485,112)	461,671
Cash and cash equivalents brought forward	1,203,727	742,056
Cash and cash equivalents carried forward	**718,615**	**1,203,727**
Cash and cash equivalents comprise:		
Cash at banks	717,370	1,202,482
Cash in hand	1,245	1,245
	718,615	**1,203,727**

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

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

1 Corporate information

The Company (Registration No. 201320478E) is a private limited Company incorporated and domiciled in Singapore.

The principal place of business is at Level 39, Marina Bay Financial Centre Tower 2, 10 Marina Boulevard, Singapore 018983 and the registered office is at 14 Robinson Road, #08-01A Far East Finance Building, Singapore 048545.

The principal business of the Company is to provide financial advisory services. The Company is an exempt person providing only financial advisory services to not more than 30 accredited investors and is exempted from licensing under MAS. The Company was dormant during the financial year.

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

Holding company

The Company is a wholly owned subsidiary of **'A. K. Capital Services Limited'**, a company incorporated in the Republic of India, which is the ultimate holding company.

2 Significant accounting policies

a) **Basis of preparation**

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act 1967. The financial statements are expressed in Singapore Dollar (S$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

The Company adopted the new or revised FRS that is mandatory for application on that date. POThis includes the following FRS, which are relevant to the Company as a single entity:

FRS 16	(Amendments)	:	Proceeds before intended to use
FRS 37	(Amendments)	:	Onerous Contracts - Cost of Fulfilling a Contract
FRS 103	(Amendments)	:	Reference to the Conceptual Framework

2 Significant accounting policies *(Cont'd)*

a) **Basis of preparation** *(Cont'd)*

Improvements to FRSs

Annual Improvements to FRSs 2018 - 2020

FRS 101	(Amendments)	:	First-Time Adoption of Financial Reporting Standards
FRS 109	(Amendments)	:	Financial Instruments
FRS 116	(Amendments)	:	Leases

The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements.

b) **Critical judgements in applying the entity's accounting policies**

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the years that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Provision for expected credit losses of other receivables

The Company uses a provision matrix to calculate Expected Credit Losses (ECLs) for other 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.

2 Significant accounting policies *(Cont'd)*

c) **Foreign currency transactions**

(i) Functional currency

The functional currency of the Company is Singapore Dollar, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

d) **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment loss if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

e) **Depreciation of plant and equipment**

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives at the following annual rates:

Furniture & fittings	-	33.33%
Office equipment	-	33.33%
Motor vehicle	-	10%
Right-of-use assets	-	Over lease period

Fully depreciated assets still in use are retained in the financial statements.

f) **Impairment of non-financial assets**

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

2 Significant accounting policies *(Cont'd)*

f) **Impairment of non-financial assets** *(Cont'd)*

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) **Financial instruments**

Financial instruments comprise financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, 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.

2 Significant accounting policies *(Cont'd)*

g) **Financial instruments** *(Cont'd)*

(i) **Financial assets** *(Cont'd)*

Initial recognition and measurement *(Cont'd)*

Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses ("FVOCI")
- Financial assets elected at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss ("FVPL")

The Company's relevant financial assets category are financial assets at amortised cost.

Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes other receivables and cash and bank balances.

2 Significant accounting policies *(Cont'd)*

g) **Financial instruments** *(Cont'd)*

(i) **Financial assets** *(Cont'd)*

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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.

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.

2 Significant accounting policies *(Cont'd)*

g) **Financial instruments** *(Cont'd)*

(i) **Financial assets** *(Cont'd)*

Impairment of financial assets *(Cont'd)*

The Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers 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.

(ii) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include other payables and accruals.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

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 as well as through the amortisation process.

Derecognition

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

h) **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of other receivables and cash at banks and cash in hand.

2 Significant accounting policies *(Cont'd)*

i) **Related party**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or its holding Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others, classified as related company);

(ii) One entity is an associate or joint venture of the other entity (for an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of the third entity and the other entity is an associate of the third party;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or its holding company.

j) **Revenue recognition**

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 and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers, if any.

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.

The Company's main business activity is to provide financial advisory services as it holds financial advisor's license issued by MAS.

2 Significant accounting policies *(Cont'd)*

j) **Revenue recognition** *(Cont'd)*

Revenue is recognised in accordance with the terms of the contracts with the customers. Revenue is recognised after the completion of services as contracts are short term in nature. The amount of revenue recognised is based on the transaction price, which comprises the contractual price and adjusted for expected returns. The Company does not provide any volume discount nor has any other variable consideration.

k) **Other income**

Other income is recognised on the following basis:

Interest income

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

Grants

Grants received are recognised on receipt basis.

l) **Employee benefits**

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

m) **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.

2 Significant accounting policies *(Cont'd)*

m) **Leases** *(Cont'd)*

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.

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(f)**.

The Company's right-of-use assets are presented within plant and equipment **(Note 3)**.

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.

The Company's lease liabilities are presented within lease liabilities **(Note 8)**.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (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 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 Significant accounting policies *(Cont'd)*

n) **Income tax**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

3 Plant and equipment

2023	Furniture & fittings	Office equipment	Motor vehicle	Right-of-use assets	Total
	S$	S$	S$	S$	S$
Cost					
At April 1, 2022	37,881	1,073	392,958	285,441	717,353
At March 31, 2023	37,881	1,073	392,958	285,441	717,353
Depreciation					
At April 1, 2022	37,881	1,073	185,071	166,502	390,527
Charge for the year	-	-	30,328	118,939	149,267
At March 31, 2023	37,881	1,073	215,399	285,441	539,794
Net book value					
At March 31, 2023	**-**	**-**	**177,559**	**-**	**177,559**

3 Plant and equipment *(Cont'd)*

2022	Furniture & fittings	Office equipment	Motor vehicle	Right-of-use assets	Total
	S$	S$	S$	S$	S$
Cost					
At April 1, 2021	37,881	1,073	392,958	285,441	717,353
At March 31, 2022	37,881	1,073	392,958	285,441	717,353
Depreciation					
At April 1, 2021	37,881	1,073	154,743	23,786	217,483
Charge for the year	-	-	30,328	142,716	173,044
At March 31, 2022	37,881	1,073	185,071	166,502	390,527
Net book value					
At March 31, 2022	**-**	**-**	**207,887**	**118,939**	**326,826**

4 Other receivables

	2023	2022
	S$	S$
Deposits	-	25,000
GST receivable	131	-
	131	**25,000**

5 Cash and bank balances

	2023	2022
	S$	S$
Cash at banks	717,370	1,202,482
Cash in hand	1,245	1,245
	718,615	**1,203,727**

The cash and bank balances that are not denominated in Singapore Dollar are as follows:

	2023	2022
	S$	S$
United States Dollar	490,893	490,893

6 Share capital

	2023 No. of shares issued	2023 S$	2022 No. of shares issued	2022 S$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	**865,000**	**904,884**	**865,000**	**904,884**

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 restriction and have no par value.

7 Other payables and accruals

	2023	2022
	S$	S$
Sundry payables	2,253	2,253
Related party	257,500	260,822
Directors	12,480	13,620
Withholding tax payable	9,120	8,360
Accrued expenses	8,806	7,512
	290,159	**292,567**

The amount due to related party and directors are unsecured, interest free and repayable on demand.

8 Lease liabilities

These liabilities are at effective interest rate:

	2023	2022
	S$	S$
Secured:		
Current	-	**122,044**

The Company has lease contract for staff accommodation. The Company's obligation under this lease is secured by Company's right-of-use assets.

A reconciliation of liabilities arising from the financing activity is as follows:

	At beginning of year	Cash flows	Non-cash changes Accretion of interest	At end of year
	S$	S$	S$	S$
2023				
Lease liabilities	**122,044**	**(125,000)**	**2,956**	-
2022				
Lease liabilities	**261,635**	**(150,000)**	**10,409**	**122,044**

9 Revenue

	2023	2022
	S$	S$
Type of income:		
Financial advisory fees	-	**1,166,246**
Timing of revenue recognition:		
Over time	-	**1,166,246**

There is no variable consideration recognised during the financial year.

10 Other income

	2023	2022
	S$	S$
Interest income from banks	-	6

11 Salaries and employee benefits

Salaries and employee benefits for the years ended March 31;

	2023	2022
	S$	S$
Salaries and bonus	90,000	590,000
Directors' remuneration	228,000	189,500
CPF on directors' remuneration (defined)	12,240	12,240
Skill development levy	396	396
Staff accommodation and related costs	-	474
	330,636	**792,610**

Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel during the year were as follows:

	2023	2022
	S$	S$
Salaries and other employee benefits	330,636	792,610

12 Finance costs

	2023	2022
	S$	S$
Interest expense on lease liability	**2,956**	**10,409**

13 Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-

	2023	2022
	S$	S$
Operating lease - office rent	4,619	5,000

14 Income tax expense

	2023	2022
	S$	S$
Current year	-	16,250
Prior year under provision	95	-
	95	**16,250**

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to (loss)/profit before income tax as a result of the following differences:

	2023	2022
	S$	S$
(Loss)/Profit before income tax	**(518,451)**	**162,637**
Tax (benefit)/expense at tax rate of 17%	(88,137)	27,648
Non-deductible items	88,137	5,704
Statutory stepped income exemption	-	(17,102)
Prior year under provision	95	-
Income tax expense for the financial year	**95**	**16,250**

Deferred tax is not recognised as there are no significant temporary differences.

15 Related party transactions

Some of the Company's transactions and arrangement are with related party and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest free and repayable on demand unless otherwise stated.

During the financial year, the Company entered into the following transactions with the related party:

	2023	2022
	S$	S$
Salaries and other employee benefits	90,000	590,474

16 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	2023	2022
	S$	S$
Financial assets		
Amortised cost:		
- Other receivables *(excluding GST)*	-	25,000
- Cash and bank balances	718,615	1,203,727
Total financial assets	**718,615**	**1,228,727**

16 Financial instruments, financial and capital risk management *(Cont'd)*

(a) Categories of financial instruments *(Cont'd)*

	2023	2022
	S$	S$
Financial liabilities		
Amortised cost:		
- Other payables and accruals *(excluding withholding tax)*	281,039	284,207
- Lease liabilities	-	122,044
Total financial liabilities	**281,039**	**406,251**

(b) Fair value measurements

Fair value hierarchy

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There are no financial assets measured at fair value.

Assets and liabilities not measured at fair value

(i) ***Other receivables, cash and bank balances and other payables***

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

(ii) ***Lease liabilities***

Lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

(c) Financial risk management

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

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

16 Financial instruments, financial and capital risk management *(Cont'd)*

(c) **Financial risk management** *(Cont'd)*

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.

Liquidity risk

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

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.

		Cash flows		
	Carrying amount	Contractual cash flow	Less than 1 year	Within 2 to 5 years
	S$	S$	S$	S$
2023				
Financial assets				
Cash and bank balances	718,615	718,615	718,615	-
Total undiscounted financial assets	718,615	718,615	718,615	-
Financial liabilities				
Other payables and accruals	(281,039)	(281,039)	(281,039)	-
Total undiscounted financial liabilities	(281,039)	(281,039)	(281,039)	-
Total net undiscounted financial assets	**437,576**	**437,576**	**437,576**	**-**
2022				
Financial assets				
Other receivables	25,000	25,000	25,000	-
Cash and bank balances	1,203,727	1,203,727	1,203,727	-
Total undiscounted financial assets	1,228,727	1,228,727	1,228,727	-
Financial liabilities				
Other payables and accruals	(284,207)	(284,207)	(284,207)	-
Lease liabilities	(122,044)	(125,000)	(125,000)	-
Total undiscounted financial liabilities	(406,251)	(409,207)	(409,207)	-
Total net undiscounted financial assets	**822,476**	**819,520**	**819,520**	**-**

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 receivables. For other financial assets (including cash at banks), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

16 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

***Credit risk** (Cont'd)*

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 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 past the credit due dates, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Cash at banks are placed with a credit worthy financial institutions.

Expected credit loss ("ECL") assessment

- Other receivables
  The other receivables comprises only its deposit. The Company assessed the nature of receivables, the financial position of the counterparties and the economic conditions and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company does not consider allowance for ECL as necessary.

As at statement of financial position date, the Company has no significant concentration of credit risk in relation to any single external party.

The carrying amount of the Company's other receivables, cash at banks and cash represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates because it has no interest-bearing borrowings from any external sources.

Foreign currency risk

Foreign currency received are kept in a foreign currency account and converted to Singapore Dollars on a need to basis so as to minimise the foreign currency exposure.

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

Foreign currency sensitivity analysis

An increase in 10% in the United States Dollar rate, will increase the profit before tax by S$Nil (2022:S$49,000) and a similar decrease in the United States Dollar rate will correspondingly decrease the profit before tax by a similar amount.

A. K. Capital (Singapore) Pte. Ltd.

Detailed Income Statement *For the financial year ended March 31, 2023*

	2023	2022
	S$	S$
Revenue		
Financial advisory fees	-	1,166,246
Other income		
Interest income from banks	-	6
Salaries and employee benefits		
Salary and bonus	(90,000)	(590,000)
Directors' remuneration	(228,000)	(189,500)
CPF on directors' remuneration (defined)	(12,240)	(12,240)
Skill development levy	(396)	(396)
Staff accommodation and related costs	-	(474)
	(330,636)	(792,610)
Depreciation of plant and equipment	(149,267)	(173,044)
Other operating expenses		
Bank charges	(141)	(287)
Book-keeping charges	(1,159)	(1,284)
Commission	-	(1,952)
Car Insurance	(1,458)	-
Operating lease - office rent	(4,619)	(5,000)
Professional fees	(5,000)	(6,070)
Repairs and maintenance	-	(1,350)
Road tax	(3,095)	-
Secretarial fee	(1,770)	(1,120)
Subscription fee	(611)	(682)
Travelling expenses	(9,677)	-
Telephone expenses	(6,432)	(8,995)
Utilities	(1,531)	(812)
General expense	(99)	
	(35,592)	(27,552)
Finance cost		
Interest on lease liability	(2,956)	(10,409)
(Loss)/Profit before income tax	(518,451)	162,637
Income tax expense:		
- Current year	-	(16,250)
- Prior year under provision	(95)	-
(Loss)/Profit after income tax	(518,546)	146,387
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	**(518,546)**	**146,387**

Not Part Of Audited Financial Statements