

SUMEET GLOBAL PTE. LTD.

(Incorporated in Singapore)

(Reg. No. 201229343C)

REPORT AND ACCOUNTS

31ST MARCH, 2023

C O N T E N T S

PAGE NOS.

Statement by Directors	1 - 2
Practitioner's Compilation Report	3
Balance Sheet	4
Statement of Comprehensive Income	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 38

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

Statement by Directors

The Directors have pleasure in presenting their report to the members with the financial statements of SUMEET GLOBAL PTE. LTD. ("the Company") for the financial year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors of the Company,

- (i) the financial statements which comprise the balance sheet as at 31st March 2023, statement of comprehensive income, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st March 2023 and of the results, changes in equity and cash flows of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The Directors of the Company in office at the date of this report are:

Somani Sumeet Shankarlal
Somani Shankerlal Sitaram
Kalyanasundaram Maran

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during that year did there subsist any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

4. DIRECTORS INTERESTS IN SHARES AND 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.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

Statement by Directors Continued/...
For the financial year ended 31 March 2023

5. SHARE OPTIONS

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

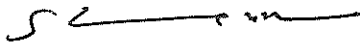
There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

On behalf of the Board of Directors



Somani Sumeet Shankarlal



Somani Shankerlal Sitaram

Singapore

Date: 15/05/2023

S. RENGANATHAN & CO

Chartered Accountants, Singapore

Regn. No. S64PF0237B

101 Cecil Street,
#23-06 Tong Eng Building
Singapore 069533

Tel: 6224 2589

6224 6151

Fax: 6223 8087

Email: sri.murali@hotmail.com

PRACTITIONER'S COMPILATION REPORT TO THE MEMBERS OF SUMEET GLOBAL PTE. LTD.

We have compiled the accompanying financial statements of **SUMEET GLOBAL PTE. LTD.** (the "Company"), based on information you have provided which comprise the balance sheet of the Company as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We performed this compilation engagement in accordance with Singapore Standard on Related Services 4410 (Revised) Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Financial Reporting Standards in Singapore (FRSs). We have compiled with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the FRSs.

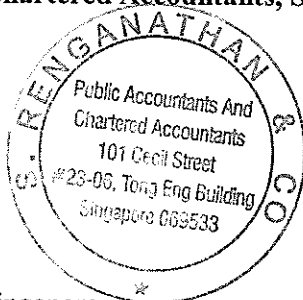
Further, we draw attention to Note 15 is self-explanatory.

This compilation report is solely prepared for the necessary filings with statutory authorities in Singapore and is not useful for any other purposes.

S. Renganathan & Co
S. Renganathan & Co.

Public Accountants &

Chartered Accountants, Singapore



Singapore

Date: 15/05/2023

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

BALANCE SHEET AS AT 31st MARCH 2023

	Notes	2023 US\$	2022 US\$
ASSETS			
Current Assets			
Cash and Cash Equivalent	6	-	-
Trade Receivables	7	-	-
		-----	-----
Total Assets		-	-
		-----	-----
LIABILITIES			
Current Liabilities			
Trade Payables	8	603	576
Bank Borrowings – Overdraft	9	7,810,017	7,810,017
Income Tax Payables	12	16,282	16,282
		-----	-----
Total Liabilities		(7,826,902)	(7,826,875)
		-----	-----
NET (LIABILITIES)		(7,826,902)	(7,826,875)
		=====	=====
 EQUITY			
Share Capital	10	3,000,001	3,000,001
Accumulated (Losses)		(10,826,903)	(10,826,876)
		-----	-----
Total Shareholders Equity		(7,826,902)	(7,826,875)
		=====	=====

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

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

Statement of Comprehensive Income
For the financial year ended 31 March 2023

	Notes	2023 US\$	2022 US\$
Income	2c	-	-
Other Operating Income		576	9,783
Administrative Expenses		(603)	(576)
Operating Expenses		-	-
Profit/(Loss) from operations	11	(27)	9,207
Finance (costs) net		-	-
Profit/(Loss) before Tax		(27)	9,207
Income Tax Expense	12	-	-
Profit/(Loss) After Tax		(27)	9,207
Other Comprehensive Income (Net of Tax)		-	-
Total Comprehensive Income/(Loss)		(27)	9,207

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

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

Statement of Changes in Equity
For the financial year ended 31 March 2023

	Share Capital US\$	Accumulated (Losses) US\$	Total US\$
As 31 March 2020	3,000,001	(10,836,083)	(7,836,082)
Total Comprehensive Income for the year	-	9,207	9,207
	-----	-----	-----
Balance at 31 March 2022	3,000,001	(10,826,876)	(7,826,875)
Total Comprehensive (Loss) for the year		(27)	(27)
	-----	-----	-----
Balance at 31 March 2023	3,000,001	(10,826,903)	(7,826,902)
	=====	=====	=====

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

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

Cash Flow Statement
For the financial year ended 31 March 2023

	2023	2022
	US\$	US\$
Cash Flow from Operating Activities		
Profit / (Loss) before taxation	(27)	9,207
	-----	-----
	(27)	9,207
Trade Receivables	-	-
Other Receivables	-	-
Trade Payables	27	(4,998)
Other Payables	-	(4,209)
	-----	-----
Cash generated from operations	-	(9,207)
Income Tax (paid)/Received	-	-
	-----	-----
Net cash inflow from operating activities	-	-
	-----	-----
Net cash outflow from Investing activities	-	-
	-----	-----
Net cash outflow from Investing activities	-	-
	-----	-----
Cash Flows from Financing Activities	-	-
	-----	-----
Net cash outflow from financing activities	-	-
	-----	-----
Net increase / (decrease) in cash and cash equivalents held	-	-
Cash and Cash Equivalents at the beginning of the year	-	-
	-----	-----
Cash and Cash Equivalents at the end of the year	-	-
	=====	=====

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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. Corporate Information

The Company is incorporated (Reg. No. 201229343C) and domiciled in Singapore.

The registered and the administration office of the Company are located at 30 Jalan Bahagia, #02-380 Whampoa Vista, Singapore 320030.

HOLDING COMPANY

The Company is now a subsidiary of M/s. Sumeet Industries Limited, incorporated in India which is the ultimate holding company.

The principal activities of the company are that of general wholesale trading and commission agents. The Company remains dormant during the whole of the financial year.

There has been no significant change in the nature of this activity during the financial year.

The financial statement for the year ended March 31, 2023 were authorized for issue by the Board of Directors on 15/05/2023.

2. Significant Accounting Policies

a. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

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 certain critical accounting judgements estimates and assumptions used that are significant to the financial statements are areas involving a higher degree of judgement or complexity are disclosed in Note 4 to the financial statements.

i) Going concern assumption

The financial statements of the Company have been prepared on a going concern basis notwithstanding the net capital deficiency of approximately 2023: US\$7,826,299 (2022: US\$7,836,082) as at 31 March 2023. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of its shareholders, to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due.

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

2. Significant Accounting Policies - cont'd

Basis of Preparation – cont'd

i) Going concern assumption – cont'd

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

ii) Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Company has adopted the new or amended SFRA and Interpretations of SFRS that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards. The adoption of these new or amended standards did not have any material effect on the amounts reported for the current or prior financial years.

The following are the other new or amended Standards and Interpretations that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

Effective for annual periods beginning on or after 1 January 2022:

FRS 16	Leases (Covid-19 Related Rent Concessions)	1 June 2020
FRS 9	Financial Instruments	1 January 2022
FRS 1-39	Recognition and Measurement	1 January 2022
FRS 7	Financial Instruments: Disclosures	1 January 2022
FRS 4	Insurance Contracts	1 January 2022
FRS 16	Leases (Interest Rate Benchmark Reform – Phase 2)	1 January 2022

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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

2. Significant Accounting Policies - cont'd

b. New standards and interpretations not adopted

The following are the new or amended Standards and Interpretations (issued up to 30 September 2022) that are not yet applicable but may be early adopted for the current financial year.

Description	Annual periods commencing on
Amendments to FRS 16 Leases (Covid-19 – Related Rent Concessions beyond 30 June 2022)	1 April 2022
Amendments to FRS 3 Business Combinations (Reference to the Conceptual Framework)	1 January 2023
FRS 1-16 Property, Plant & Equipment (Proceeds before Intended Use)	1 January 2023
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2023
Annual Improvements to FRSS 2018-2020	1 January 2023
Amendments to FRS 17 Insurance Contracts	1 January 2023
FRS 1-1 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Practice Statement 2 (Disclosure of Accounting Policies)	
FRS 1-8 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)	1 January 2023
FRS 1-12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 17 Insurance Contracts	1 January 2023
Amendments to FRS 10 Consolidated Financial Statements	Date to be determined
FRS 28 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	

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

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

2. Significant Accounting Policies - cont'd

c. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and for the rendering of services in the ordinary course of the company's activities. Amounts disclosed as revenue are net of goods and services tax, rebates and discounts.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

d. Income Tax

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 period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax 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.

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

2. Significant Accounting Policies - cont'd

Income Tax – cont'd

c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of general Goods and services tax except:

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

The net amount of general Goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

e. Foreign Currency Transactions

a) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States dollars. Revenue and major operating expenses are primarily influenced by fluctuations in United States dollars. The financial statements are presented in United States dollars, which is the functional currency of the Company.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company are recorded on initial recognition in the functional currencies 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 statement of financial position 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. 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. 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.

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

2. Significant Accounting Policies - cont'd

f. Employee Benefits

a) Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

b) Retirement benefit costs

Payments to defined contribution plan (including state - managed benefit schemes, such as the Singapore Central Provident Fund) are charged as an expense when incurred.

g. 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

h. Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash on hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents also includes bank overdrafts and excludes any pledged deposits.

i. Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

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

2. Significant Accounting Policies - cont'd

j. Deferred Financial Charges

Fees incurred for obtaining new loans or refinancing existing ones are deferred and amortised to interest expense over the life of the related debt using the effective interest method. Unamortised deferred financial charges are written off when the related debt is repaid or refinanced and such amounts are expensed in the period the repayment or refinancing is made. Such amounts are classified as a reduction of the long-term debt balance on the statement of financial position.

k. Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profits, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability.

Interim dividends are simultaneously proposed and declared; because of the articles of association of the company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized directly as a liability when they are proposed and declared.

l. Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

m. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

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

2. Significant Accounting Policies - cont'd

n. Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 April 2023:

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.

(a) 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.

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.

The Company's right-of-use assets are presented within property, plant and equipment.

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

2. Significant Accounting Policies - cont'd

o. Related Parties

A related party is defined as follows:

a) *A person or a close member of that person's family is related to the Group and 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 Group or Company or of a parent of the 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 Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Key management personnel is defined as follows:

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company.

p. Events after the end of the Reporting Period

Events after the end of the reporting period that provide additional information about the Company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

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

3. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or where appropriate, a shorter year.

1. Financial Assets

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the financial instruments.

a) Classification of financial assets

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

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 financial asset not at fair value through profit or loss, transaction costs. 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This 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.

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

3. Financial Instruments - cont'd

1. Financial Assets – cont'd

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Company commit to purchase or sell the asset.

For purpose 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 (debt instruments).
- Financial assets designated 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.

b) Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include trade and other receivables, and other financial assets that held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

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

3. Financial Instruments - cont'd

1. Financial Assets – cont'd

The company has balances of other receivables and cash and bank balances that are held within a business model, whose objective is collecting contractual cash flows.

i) Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade and other receivables. Trade and other receivables are measured at initial recognition at the fair value, and are subsequently measured at amortised cost using the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

ii) Cash and bank balances

Cash and bank balances comprise deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

c) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit and loss statement.

Other than financial assets at amortised cost and financial assets at fair value through profit or loss, the company does not designate any financial assets under any other category under FRS 109.

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

3. Financial Instruments - cont'd

1. Financial Assets – cont'd

d) 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 30 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.

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

3. Financial Instruments - cont'd

1. Financial Assets – cont'd

e) Derecognition of financial assets

A financial asset is primary derecognised when:

- i) the rights to receive cash flows from the asset have expired or,
- ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 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.

Where 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.

Continuing involvement that takes form of guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

a) Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provision for the financial instrument. The measurement of financial liabilities depends on their classification as either financial liabilities “at fair value through profit or loss” or “other financial liabilities at amortised costs”.

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

3. Financial Instruments - cont'd

2. Financial liabilities and equity – cont'd

i) Financial liabilities at amortised cost

Financial liabilities are initially recognised at value plus directly attributable costs and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Financial liabilities at amortised cost are classified within “trade and other payables” and “borrowing” on the statement of financial position.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loans using the effective interest method.

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position. Other loans due to be settled more than twelve months after the end of the reporting period are included in non-current liabilities in the statement of financial position.

ii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

3. Financial Instruments - cont'd

2. Financial liabilities and equity – cont'd

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in the profit and loss account.

Derivative Financial Instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The changes in fair value of any derivative instrument that do not qualify for hedge accounting are recognised directly in the profit and loss statement.

The Company uses derivative financial instruments to hedge against risks associated with interest rate fluctuations. It is the Company's policy not to use derivative financial instruments for speculative purposes.

b) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where 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, and the difference in the carrying amounts is recognised in the profit and loss.

c) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends to the Company's shareholders are recognised when the dividends are approved for payments.

d) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

a) Critical judgement in applying the company's accounting policies

In the application of the company's accounting policies, which are described to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

i) Income taxes

Significant judgement is required in determining the deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The carrying amount of the company's income tax payable as at 31 March 2023 was US\$ 16,282 (2022: US\$ 16,282).

ii) Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the economic environment in which the company operate and process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty - cont'd

b) 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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

i) Allowances for doubtful accounts

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in our customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful accounts. At the end of the reporting period, the receivables are measured at fair value and their fair values might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimates uncertainty at the end of the reporting period. The carrying amount of trade and other receivables as at 31 March 2023 was US\$Nil (2022: US\$Nil).

ii) 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. The carrying amount of trade and other receivables as at 31 March 2023 was US\$494,805 (2022: US\$Nil).

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

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty - cont'd

b) Key sources of estimation uncertainty – cont'd

v) Provisions

Provisions are recognized in accordance with the accounting policy, to determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

vi) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

5. Financial Instruments, Financial Risks Management and Capital Management

5.1. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The board of directors is responsible for setting the objective and underlying principles of financial risk management for the company. The directors' meet periodically to analyse, formulate and monitor the following risk management of the company and of the company and believe that the financial risks associated with these financial instruments are minimal.

The company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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

5. Financial Instruments, Financial Risks Management and Capital Management - cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

a) Categories of financial assets and liabilities

The carrying amount of financial assets and financial liabilities included in the statement of financial position, the categories and the headings in which they are included are as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
Financial assets		
Loans and receivables:		
- trade and other receivables	-	-
- cash and bank balances	-	-
	<u>-</u>	<u>-</u>
Financial liabilities		
At amortised costs:		
- trade and other payables	(603)	(576)
- Bank Borrowings	(7,810,017)	(7,810,017)
	<u>(7,810,620)</u>	<u>(7,810,593)</u>

Further quantitative disclosures are included throughout these financial statements.

b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade and other receivables and other financial assets including cash and bank balances. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a mean of mitigating the risk of financial loss from defaults. For other financial assets, the company minimise credit risk by placing the cash deposits with reputable banks and financial institutions with high credit rating assigned by international credit rating agencies.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Credit risk management – cont'd

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information such as the following:

- credit rating information supplied by publicly available financial information;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor and changes in the operating results of the debtor.

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

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Default event

The company considers a financial asset in default when the counterparty fails to make contractual payments, within 180 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

In certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the counterparty is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write off policy

The company categorises a receivable for potential write-off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or when a debtor fails to make contractual payments more than 365 days past due. Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)
Grade I (Performing)	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
Grade II (Under performing)	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL- not credit impaired

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Write off policy – cont'd

The company's current credit risk grading framework comprises the following categories: (cont'd)

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)
Gross III (Default)	Amount is > 180 days past due to there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit impaired
Write-off	Amount is > 365 days past due or 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

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Expected Credit Loss Assessment

The following are qualitative information about amounts arising from expected credit losses for financial assets.

(i) Trade receivables

The company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The company determined 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. The contract assets relate to unbilled revenue and have substantially the same risk characteristics as the trade receivables for the same type of contracts. Accordingly, the credit risk profile of trade receivables and contract assets is presented based on their past due status in term of provision matrix.

(ii) Other receivables

Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to management accounts and cash flows), management consider the company's credit risk exposure as low. Therefore, impairment on these balances have been measured on the 12-month ECL basis; and the amount of the allowance is insignificant.

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

Expected Credit Loss Assessment– cont'd

(iii) Cash and bank balances

Loss allowance on bank balances are measured on the 12-month ECL and reflects the short maturities of the exposures. The company considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on bank balances is insignificant

Concentration of credit risk

The company has no significant concentration of credit at the end of the reporting period.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the company.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

c) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company results in the current reporting year and in the future years.

The company is exposed to interest rate risk through the impact of rate changes on interest bearing bank finance leases. Risk variables are based on volatility interest rates. The company's policy is to obtain most favourable interest rate available in the market. The company ensures that it obtains borrowings at competitive interest rates under the most favourable terms and conditions. The interest rates and terms of repayment of finance leases of the company are disclosed in Note 11 to the financial statements. The management believes the interest rate risk is manageable. Hence, the company does not use any derivative financial instruments to mitigate this risk.

Interest rate sensitivity

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Interest rate risk – cont'd

Interest rate sensitivity – cont'd

The company's profit or loss and equity are not affected by the changes in interest rates as the interest-bearing instruments either carry fixed interest or are measured at amortised cost or carry variable interest but are held for short-term. Accordingly, management is of the view that the impact of any interest rate fluctuation will not be material.

The company's exposure to interest rate risk on financial assets and financial liabilities are immaterial.

d) Foreign currency exchange rate risk

Foreign currency exchange rate risk arises from the change in foreign currency exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The foreign exchange risk of the company which generate revenue and incur costs denominated in United States dollars. The company's major foreign exchange risk exposures result from the sales transactions, receivables, purchases transactions and payable that are denominated in foreign currencies, primarily in United States dollars. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates.

The entities within the company maintain their books and records in their functional currencies. The company's accounting policy is to translate the profits or losses of entities with functional currencies other than United States dollars using the yearly average exchange rates. Net assets denominated in foreign currencies and held at the yearend are translated into United States dollars; the company's reporting currency, at year end exchange rates. Fluctuations in the exchange rate between the functional currencies and United States dollars will therefore have an impact on the company. However, the exposure to foreign currency risk is monitored on an ongoing basis and the company endeavours to keep the net exposure at acceptable level. Management believes that the foreign exchange risk is manageable. Presently, no transaction in forward exchange contract is deemed necessary.

Foreign currency sensitivity analysis

The company's exposure to foreign currency risk on financial asset and liabilities are immaterial. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year. As a result, no foreign currency sensitivity analysis was prepared.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1 Financial Risks Management Policies and Objectives – cont'd

e) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

The company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. The company maintains a level of cash and bank balances deemed adequate by management to meet the company's working capital requirement. In addition, the company strives to maintain available banking facilities at a reasonable level to its overall debt position.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

2023	Effective interest rate (%)	Contractual undiscounted cash flows				
		Carrying Amount	Less than one year	Two to five years	More than five years	Total
		US\$	US\$	US\$	US\$	US\$
<u>Financial liabilities</u>						
At amortised cost:						
- Trade & other payables	-	603	603	-	-	603
- Borrowings	Note 10	7,810,017	7,810,017	7,810,017	-	7,810,017
<hr/>						
2022	Effective interest rate (%)	Contractual undiscounted cash flows				
		Carrying Amount	Less than one year	Two to five years	More than five years	Total
		US\$	US\$	US\$	US\$	US\$
<u>Financial liabilities</u>						
At amortised cost:						
- Trade & other payables	-	576	576	-	-	576
- Borrowings	Note 10	7,810,017	7,810,017	7,810,017	-	7,810,017

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

5. Financial Instruments, Financial Risks Management and Capital Management – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

f) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management considers that the carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and finance leases recorded at amortised cost in the financial statement approximate their fair values.

5.2. Capital Risk Management Policies and Objectives

The company manages its capital to ensure that the company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, and obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as finance leases plus trade and other payables less bank balance. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	<u>2023</u> US\$	<u>2022</u> US\$
Trade and other payables	603	576
Borrowings	7,810,017	7,810,017
Less: Cash and bank balances	-	-
Net debt	<u>7,810,620</u>	<u>7,810,593</u>
Total equity	<u>(7,826,902)</u>	<u>(7,826,299)</u>
Total capital	<u>(16,282)</u>	<u>(15,706)</u>
Gearing ratio	<u>NA</u>	<u>NA</u>

The company will continue to monitor economic conditions in which its operations and will make adjustments to its capital structure where necessary.

The capital structure of the company's mainly consists of equity and net debt. The company's overall strategy remains unchanged from 31 March 2023.

The company is not subject to any externally imposed capital requirements.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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

6. Cash and Cash Equivalents

	2023	2022
	US\$	US\$
Cash at Bank	-	-
	=====	=====

For the purpose of presentation in the cash flow statement, the cash and cash equivalents comprise the following:

	2023	2022
	US\$	US\$
Cash and bank balance	-	-
Less: Bank overdraft	(7,810,017)	(7,810,017)
	-----	-----
Cash and cash equivalents as per cash flow statement	(7,810,017)	(7,810,017)
	=====	=====

7. Trade Receivables

	2023	2022
	US\$	US\$
Trade Receivables	494,805	494,805
Provision of ECL	(494,805)	(494,805)
	-----	-----
	-	-
	=====	=====

The carrying values of these trade receivables approximate their fair values.

Expected Credit Loss

The movement in allowance for expected credit loss of trade receivables computed based on life time ECL was as follow:

	2023	2022
	US\$	US\$
At 1 April	(494,805)	(494,805)
Allowance charged to Profit or Loss	-	-
	-----	-----
At 31 March	(494,805)	(494,805)
	=====	=====

The carrying values of these trade receivables approximate their fair values.

The Company assess the trade receivables based on the simplified approached in FRS 109 and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the company measured the impairment loss allowance using lifetime ECL (Simplified) and determined that the ECL is insignificant.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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

8. Trade Payables

	2023	2022
	US\$	US\$
Accrued Expenses	603	576
	=====	=====

The carrying values of these trade payables approximate their fair values.

9. Bank Borrowings

	2023	2022
	US\$	US\$
Current Liabilities		
Bank Overdraft	7,810,017	7,810,017
	-----	-----
	7,810,017	7,810,017
	=====	=====

The bank overdraft is overdue for payment and no interest provision is made in the books for the same due to non-receipt of any advice / communication from the bank. Bank borrowings approximate its fair value as on the balance sheet date and are denominated in United States dollars.

10. Share Capital

	2023	2022
	US\$	US\$
Issued and fully paid		
3,000,001 ordinary shares, with no par value	3,000,001	3,000,001
	=====	=====

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.

11. Related Party Transactions

The company has significant transactions with related parties on terms agreed between the parties as follows:

Between the company and other companies in which the directors have an interest.

	2023	2022
	US\$	US\$
Amount due to holding company	-	-
	=====	=====

All business transactions between the company and other companies in which the directors have an interest were carried out at arm's length and charged on the same basis chargeable to other non-related companies.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

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

12. Net Income from Operations

This is stated after charging/(crediting):	2023	2022
	US\$	US\$
Bad debts - Recovered	-	(9,783)
Amount waived by directors	576	-
	<u>=====</u>	<u>=====</u>

13. Income Tax

	2023	2022
	US\$	US\$
Income Tax - Current Year	-	-
	<u>-----</u>	<u>-----</u>
	-	-
	<u>=====</u>	<u>=====</u>

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

	2023	2022
	US\$	US\$
Accounting Profit / (Loss)	(27)	9,207
	<u>=====</u>	<u>=====</u>
Tax at the applicable tax rate of 17%	(5)	1,565
Tax effect of expenses not deductible for tax purposes	-	-
Deferred tax assets on loss not provided	5	(1,565)
Tax exempt income	-	-
	<u>-----</u>	<u>-----</u>
Tax Expenses	-	-
	<u>=====</u>	<u>=====</u>

Movements in current income tax liabilities

	2023	2022
	US\$	US\$
Beginning of financial year	16,282	16,282
Income tax paid/(Received)	-	-
Tax payable for current financial year	-	-
	<u>-----</u>	<u>-----</u>
End of financial year	16,282	16,282
	<u>=====</u>	<u>=====</u>

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

14. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that 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 payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

15. Going Concern

As at balance sheet date, the total liabilities exceeded its total assets by US\$ 7,826,902 (2022: US\$ 7,826,875). The financial statements have been prepared on a going concern basis based on the letter of support from the ultimate holding company. The ultimate holding company has agreed to continue providing sufficient financial support to the Company to enable the Company to fulfil all its obligations.

SUMEET GLOBAL PTE. LTD.
(Incorporated in Singapore)

Income and Expenditure Account
For the financial year ended 31 March 2023

	US\$
INCOME	-
Add: Other Income	
Amount waived by Directors	576
LESS EXPENSES:	
Compilation Fees	<div style="border: 1px solid black; padding: 5px; display: inline-block;">603</div>
	(603)

(Loss) for the year	(27)
	=====