

**DHAMPUR INTERNATIONAL PTE. LTD.**

(Registration number: 200912388N)

**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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FOR THE YEAR ENDED 31 MARCH 2023

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# DHAMPUR INTERNATIONAL PTE. LTD.

## DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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# DHAMPUR INTERNATIONAL PTE. LTD.

## DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of **DHAMPUR INTERNATIONAL PTE. LTD.** (the "company") for the financial year ended 31 March 2023.

### 1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

### 2. DIRECTORS

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

Gautam Goel  
See Pei Ru (Appointed on 1 June 2022)

### 3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

### 4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The following directors who held office at the end of the financial year, had interests in the shares of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act 1967 (the "Act") as stated below: -

<u>Name of directors</u>	<u>Number of ordinary shares with no par value</u>	
	<u>At beginning of year</u>	<u>At end of year</u>
<u>The holding company</u> <u>Dhampur Bio Organics Limited</u>		
Gaurav Goel (Resigned on 1 June 2022)	4,211,379	-
Gautam Goel	4,242,339	4,242,339

## DHAMPUR INTERNATIONAL PTE. LTD.

### DIRECTORS' STATEMENT – cont'd

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 an option to take up unissued shares of the company.

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

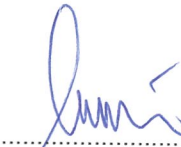
6. **AUDITOR**

Rama & Co LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Directors



.....  
Gautam Goel  
Director



.....  
See Pei Ru  
Director

Date: 24. APR 2023



**Rama & Co LLP**  
UEN : T22LL1171C  
Public Accountants &  
Chartered Accountants  
17 Phillip Street  
#05-02 Grand Building  
Singapore 048695  
Tel : 6538 7777  
Fax : 6533 3227  
email : rahul@ramaco.com.sg

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF DHAMPUR INTERNATIONAL PTE. LTD.**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the accompanying financial statements of **DHAMPUR INTERNATIONAL PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, and 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 financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

*Basis for Opinion*

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

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors report there on.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DHAMPUR INTERNATIONAL PTE. LTD. – cont'd**

*Responsibilities of Management and Directors for the Financial Statements*

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

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DHAMPUR INTERNATIONAL PTE. LTD. – cont'd**

*Auditor's Responsibilities for the Audit of the Financial Statements – cont'd*

- (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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) 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 Requirement**

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.

*RAMA & CO LLP*

**RAMA & CO LLP  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS  
SINGAPORE**

Date: **24 APR 2023**



## DHAMPUR INTERNATIONAL PTE. LTD.

### STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	<u>Note</u>	<u>2023</u> US\$	<u>2022</u> US\$
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	(7)	6,399	2,174
Financial assets at fair value through other comprehensive income	(8)	-	-
Total non-current assets		6,399	2,174
<b>Current assets:</b>			
Cash and bank balances	(9)	681,841	583,807
Trade and other receivables	(10)	6,633,959	357,786
Total current assets		7,315,800	941,593
<b>Total assets</b>		7,322,199	943,767
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves:</b>			
Share capital	(11)	8,007,609	6,007,609
Fair value reserves	(8)	-	-
Accumulated losses		(4,693,066)	(5,138,830)
Total equity		3,314,543	868,779
<b>Current liabilities:</b>			
Derivative financial instruments	(12)	16,175	-
Trade and other payables	(13)	3,991,481	74,988
Total current liabilities		4,007,656	74,988
Total liabilities		4,007,656	74,988
<b>Total equity and liabilities</b>		7,322,199	943,767

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

## DHAMPUR INTERNATIONAL PTE. LTD.

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>2023</u> US\$	<u>2022</u> US\$
Revenue	(14)	32,667,500	-
Cost of goods sold		<u>(31,684,983)</u>	<u>-</u>
Gross profit		982,517	-
Other income	(15)	81,336	127,147
Marketing and distribution expenses		(37,100)	(22,173)
Administrative expenses		(530,983)	(524,485)
Finance costs	(16)	-	(1,374)
Other expenses		<u>(50,006)</u>	<u>(56,127)</u>
Profit/(Loss) before income tax		445,764	(477,012)
Income tax expense	(17)	<u>-</u>	<u>-</u>
Profit/(Loss) for the year	(18)	445,764	(477,012)
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss:			
Fair value gain/(loss) on equity investments		-	2,470
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>2,470</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>445,764</u></u>	<u><u>(474,542)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

## DHAMPUR INTERNATIONAL PTE. LTD.

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>Share Capital</u> US\$	<u>Fair value Reserve</u> US\$	<u>Accumulated Losses</u> US\$	<u>Total</u> US\$
Balance as at 1 April 2021		6,007,609	(23,095)	(4,641,193)	1,343,321
Transfer of fair value upon disposal of investments		-	20,625	(20,625)	-
Total comprehensive loss for the year		-	2,470	(477,012)	(474,542)
Balance as at 31 March 2022		6,007,609	-	(5,138,830)	868,779
Transaction with owners of the company, recognised directly in equity:					
- Issue of new shares	(11)	2,000,000	-	-	2,000,000
Total comprehensive income for the year		-	-	445,764	445,764
Balance as at 31 March 2023		8,007,609	-	(4,693,066)	3,314,543

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

## DHAMPUR INTERNATIONAL PTE. LTD.

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> US\$	<u>2022</u> US\$
<b>Cash flows from operating activities:</b>		
Profit/(Loss) before income tax	445,764	(477,012)
Adjustment for:		
Depreciation of property, plant and equipment	2,189	36,095
Net fair value changes in derivatives	16,175	-
Profit on disposal of motor vehicle	-	(53,972)
Loss on disposal of ROU	-	11,777
Lease liabilities written back	-	(10,537)
Dividends received	-	(330)
Interest income	(14,533)	(41,525)
Foreign currency exchange adjustment (gain) / loss	-	(1,323)
Finance cost	-	1,374
	449,595	(535,453)
Operating profit/(loss) before working capital changes	449,595	(535,453)
Trade receivables	(2,488,237)	189,013
Other current assets	(4,119,992)	-
Trade payables	3,077,128	(1,605,337)
	(3,081,506)	(1,951,777)
<b>Net cash used in operating activities</b>	<b>(3,081,506)</b>	<b>(1,951,777)</b>
<b>Investing activities:</b>		
Disposal of investment	-	28,464
Other receivables	332,056	519,691
Purchase of property, plant and equipment	(6,414)	(626)
Proceeds from disposal of motor vehicle	-	173,641
Dividends received	-	330
Interest income	14,533	41,525
	340,175	763,025
<b>Net cash from investing activities</b>	<b>340,175</b>	<b>763,025</b>
<b>Financing activities:</b>		
Issue of new shares	2,000,000	-
Interest expenses	-	(1,374)
Other creditors	839,365	1,667
Repayment of lease liabilities	-	(21,649)
	2,839,365	(21,356)
<b>Net cash from/(used in) financing activities</b>	<b>2,839,365</b>	<b>(21,356)</b>
Net increase/(decrease) in cash and bank balances	98,034	(1,210,108)
Cash and bank balances at beginning of year	583,807	1,793,915
<b>Cash and bank balances at end of year</b>	<b>681,841</b>	<b>583,807</b>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

# DHAMPUR INTERNATIONAL PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2023

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

### 1. GENERAL

#### a) Corporate information

Dhampur International Pte. Ltd. ("the company") (Registration number: 200912388N) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at:

30 Kallang Place  
Unit #05-03/04,  
Singapore 339159.

The principal activities of the company are to carry on business of importers, exporters of white crystal sugar, ethyl acetate, ethyl alcohol and yellow soybeans.

#### b) Authorisation of financial statements for issue

The financial statements of the company for the financial year ended 31 March 2023 were authorised for issue by the Board of Directors on 24 April 2023.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. 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 as issued 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 accounting estimates and assumption 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 revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting judgements estimates and assumptions used that are significant to the financial statements are areas involving a higher degree of judgements or complexity are disclosed in Note 4.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.2. Changes in Accounting Policies

###### a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2022. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

###### b) Standards issued but not yet effective

As at the date of the authorisation of these financial statements, the Company has not adopted the following FRSs that have been issued but not yet effective:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1 (Amendments)	Classification of Liabilities as Current or Non-Current	1 January 2024
FRS 1 (Amendments)	Non-Current Liabilities with Covenants	1 January 2024
FRS 1 Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023
FRS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
FRS 12 (Amendments)	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The Company expect that the adoption of the above standards, interpretations and improvements, if applicable, will have no material impact on the financial statements in the period of initial application, except as described below:

###### i) Amendment to FRS 1 Classification of Liabilities as Current or Non-current

On 23 January 2021, the ASC has issued narrow-scope amendments to FRS 1 Presentation of Financial Statements to clarify how to classify debt and other liabilities as current or non-current.

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a Company might settle by converting it into equity.

The amendments clarify, not change, existing requirements, and so are not expected to affect Company's financial statements significantly. However, they could result in Companies reclassifying some liabilities from current to noncurrent, and vice versa; which could affect a company's loan covenants.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.2. Changes in Accounting Policies – cont'd

##### b) Standards issued but not yet effective – cont'd

##### i) Amendment to FRS 1 Classification of Liabilities as Current or Non-current – cont'd

The Company has assessed and there is no material impact to its consolidated financial statements.

##### ii) FRS 1 (Amendments) – Non-current Liabilities with Covenants

FRS 1 *Presentation of Financial Statements* currently states that liabilities can only be classified as non-current if, at the reporting date, the entity has the right to defer settlement of that liability for at least twelve months. However, the covenants attached to long-term debt will impact an entity's right to defer settlement. The amendments clarify how an entity should assess the right to defer settlement where such covenants exist.

Where an entity is required to comply with the covenant on or before the end of the reporting period, the covenant affects whether the right to defer exists at the reporting date and therefore affects the classification of current or non-current. A covenant that an entity is required to comply with only after the reporting date does not affect whether the right to defer exists at the end of the reporting period. Therefore, it does not impact the classification of the liability at the reporting date as current or non-current. As a result, an entity might classify a liability as non-current even though it may become repayable within 12 months after the reporting date, if the company fails to comply with a covenant in that 12-month period.

Where liabilities are classified as non-current but the right to defer is subject to complying with covenants within twelve months of the reporting date, the amendments require additional disclosure. The disclosures are aimed at helping users to assess the risk of non-current liabilities becoming repayable within twelve months and include:

- the nature of the covenants and when the entity is required to comply with them;
- the carrying amount of the related liabilities; and
- the facts and circumstances that indicate the entity may have difficulty complying with the covenants.

The amendments are effective for annual periods beginning on or after 1 January 2024, with earlier application permitted.

##### iii) Amendments to FRS 1, Practice Statement 2, Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materially judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.



## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.2. Changes in Accounting Policies – cont'd

##### b) Standards issued but not yet effective – cont'd

##### iii) Amendments to FRS 1, Practice Statement 2, Disclosure of Accounting Policies – cont'd

The above amendments are effective for annual reporting period beginning on or after 1 January 2023, must be applied retrospectively and earlier application is permitted.

##### iv) Amendments to FRS 8, Definition of Accounting Estimates

The amendments introduce a definition of accounting estimates, by replacing the concept of change in accounting estimates. According with the new definition, accounting estimates are monetary items subject to uncertainty in measurement. Entities perform accounting estimates if the accounting standards require that financial statements' items are measured in a way that involve uncertainty in measurement. Also they clarified that a change in accounting estimates deriving from new information or new developments in not to be taken as the correction of a mistake. Furthermore, the effects of a change in inputs or in a measurement technique upon which an estimate is based are considered as changes in estimates if they do not result from mistakes done in the previous periods.

A change in accounting estimates could impact the net result of the current period or it could also impact the following periods: therefore, the impact on the current period must be booked through the present income statement, whilst the impact on the future periods must be booked in the respective income statements.

The above amendments are effective for annual reporting period beginning on or after 1 January 2023 and earlier application is permitted.

##### v) Amendment to FRS 12 – Deferred Tax related to Assets and Liabilities arising from a single transaction

This Amendment narrows the applicability of the exemption from recognition of deferred taxes as a result of temporary differences created on the date of the initial recognition of assets and/or liabilities, so that the exemption will not apply to transactions creating equal temporary differences on the date of recognition that may be offset.

Thus, the Company will recognise deferred tax assets and/or liabilities in the amount of the temporary differences on initial recognition of transactions creating equal off-settable temporary differences. Any accumulated effect of the initial implementation of the Amendment will be recognised as an adjustment to the surplus balance or other capital components on the initial implementation date.

The Amendment will enter into force in report periods starting 1 January 2023, early application is optional.,

In accordance with an initial assessment made by the Company, this Amendment is not expected to have a material impact on the Financial Statements.

The Company do not intend to early adopt any of the above new or revised standards, interpretations and amendments to the existing standards.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

##### 2.3. Property, Plant and Equipment

###### a) Measurement

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any.

###### b) Component of costs

The cost of an item of property plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any 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 incentive received.

###### c) Depreciation

Depreciation is calculated on the straight line method and to write off the cost of the assets over their estimated useful lives of three years as follows:

	<u>Years</u>
Furniture and fittings	3
Office equipment	3
Motor vehicles	5
Right-To-Use of assets, office premises	3
Renovation	3

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values and useful life property, plant and equipment are reviewed, and adjusted as appropriate, at each end of reporting period. The effects of any revision of the residual values and useful lives are included in the profit and loss statement for the financial period in which the changes arise.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.3. Property, Plant and Equipment – cont'd

###### d) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the profit and loss statement during the financial period in which it is incurred.

###### e) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit and loss statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

##### 2.4. Impairment of Non-Financial Assets

At each end of reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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). Where 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 higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 (or 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 the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where 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 periods. A reversal of an impairment loss is recognised immediately in the profit and loss statement, 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.

##### 2.5. Income Taxes

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

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.5. Income Taxes – cont'd

###### a) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

###### b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period 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 deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 reporting period.

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

##### 2.6. Revenue

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

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.6. Revenue – cont'd

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.

##### a) Sale of goods

Revenue is recognised when the customer obtains control of the goods upon delivery and acceptance by the customer. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the company has not retained any significant risks of ownership or future obligations with respect to the product shipped.

##### b) Interest income from bank deposits

Interest income is recognised using the effective interest method.

##### c) Dividend income

Dividend income is recognised when the company's right to receive payment is established.

##### d) Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received, and the company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

##### 2.7. 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 of the company 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 and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.7. Foreign Currency Transactions – cont'd

###### b) Foreign currency transactions – cont'd

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period are recognised in the statement of comprehensive income.

##### 2.8. Provisions

Provisions are recognised when the company has present obligations (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.

##### 2.9. 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 recognised 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 recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs 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.

##### 2.10. 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.

###### *Company as a 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 to make lease payments and right-of-use assets representing the right to use the underlying assets.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.10. Leases

*Company as a lessee – cont'd*

###### (a) 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, as three years.

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.

###### (b) 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.

##### 2.11. 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

##### 2.12. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of 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 reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

#### 3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company statement of financial position when the company becomes a party to the contractual provisions of the instrument.

##### 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.

##### 3.1. 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.



## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

###### a) Classification of 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.

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 are solely payments of principal and interest on the principal outstanding.

###### b) Financial assets at amortised cost

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.

The company has balances of trade and other receivables and cash and bank balances that are held within a business model, whose objective is collecting contractual cash flows. Trade and other receivable and cash and bank balances are classified as financial assets at amortised cost under FRS 109.

###### i) Trade and other receivables

Trade and other receivables are recognised initially at the fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is made on the expected credit loss, which are the present value of the cash short falls over the expected life of the trade and other receivables.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

##### b) Financial assets at amortised cost – cont'd

##### 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 other comprehensive income (FVOCI)

*Debt instruments.* A debt financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognised in profit and loss until the financial asset is derecognised. Upon derecognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognised in profit or loss upon derecognition if the financial asset had been measured at amortised cost. Impairment is measured based on the expected credit loss (ECL) model.

##### d) Equity instruments

The company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognised in a business combination in accordance with FRS 103. Amount recognized in OCI are not subsequently transferred to profit or loss. However, the company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

The company elected to classify irrevocably all equity investments as financial asset at FVOCI.

##### e) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortised cost and FVOCI. ECL 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1. Financial Assets – cont'd

##### e) Impairment of financial assets – cont'd

ECLs are recognised in two stages.

- i) 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 months ECL).
- ii) For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses. 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.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when the contractual payments more than 30 days past due.

The Company considers a financial asset in default when contractual payments are more than 180 days due. However, in certain cases, the Company 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 enhancement held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### f) 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.2. Financial Liabilities and Equity Instruments

###### Classification as debt or equity

Financial liabilities are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

###### a) Financial liabilities

###### Initial recognition and measurement

Financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition.

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

###### Subsequent measurement

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

###### 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" on the statement of financial position.

###### Trade and other payables

Financial liabilities include trade and other payables. Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

###### 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.2. Financial Liabilities and Equity Instruments – cont'd

###### a) Financial liabilities – cont'd

###### ii) Financial liabilities at fair value through profit or loss – 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 mitigate against risks associated with commodity price 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 respectively carrying amounts is recognised in the profit and loss statement.

###### 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.

###### d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement 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.

#### 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 in Note 2 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

##### a) Critical judgement in applying the company's accounting policies – cont'd

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) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and temporary differences to the extent that it is probable that taxable profit will be available against which the losses and temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 16 to the financial statement.

##### 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.

##### iii) Revenue – gross presentation

For the sale of sugar, the company assesses its sales arrangements to determine if it acts as a principal or an agent. In determining whether the company acts as a principal, the company considers factors such as if the company has primary responsibility for providing the goods or services to the customer, bears inventory risks before or after the customer order during shipping or on return, has latitude in establishing prices either directly or indirectly, and bears the customer's credit risks for the amount receivable from the customers.

The company has determined, based on an evaluation of the terms and conditions of the sales arrangements, that the company acts as a principal and so accounts the revenue as gross presentation in the statement of profit or loss and other comprehensive income. The company's revenue from the sale of sugar is disclosed in Note 14 to the financial statements.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 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 period, are discussed below:

##### i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charges and consequently affect the company's result. The carrying amount of property, plant and equipment as at 31 March 2023 was **US\$6,399** (2022: US\$2,174).

##### ii) Impairment of property, plant and equipment

The company assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

##### iii) 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 (including the impact of the Covid-19 pandemic). 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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

b) Key sources of estimation uncertainty – cont'd

iv) Impairment of other current assets

The company's management reviews other current assets on a regular basis to determine if any provision for impairment is necessary. The impairment loss on deposits, advance with staffs and other receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of purchase of goods or to receive the services according to the original terms of contracts. Significant financial difficulties of the deposit holder, probability that the deposit holder will enter in to bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the deposits and advance with supplier are impaired. Management reassesses the impairment of deposits and advance with suppliers at each reporting date.

v) Determining the lease term

As explained in Note 2.10, the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the company, the company evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the company to exercise the option, including favourable terms leasehold improvements undertaken and the importance of that underlying asset to the company's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the company's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

vi) Estimation of incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the company "would have paid", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain lease period specific estimates.

vii) Classification and measurement of equity instruments as FVOCI

The company intends to hold its unquoted equity instruments for an indefinite period and may sell the investment in response to liquidity needs or in response to changes in the market conditions. Therefore, management has concluded that these equity instruments are not held for trading and has elected to classify and measure these equity instruments at FVOCI.



## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

##### b) Key sources of estimation uncertainty – cont'd

##### viii) Commodity price risk

Commodity price risk arose from the change in commodity prices that may have an adverse effect on the company in the current reporting period and in the future years.

The Company uses commodity derivatives instruments from time to time to manage exposure to price volatility on a portion of white sugar and it also uses from commitments for the purchase or sale of sugar. These contracts meet the definition of a derivative instruments and all derivatives instrument and all derivatives financial instruments are recognized at their current fair value as either assets or liabilities in the statement of financial position. All derivatives are measured at fair value through profit or loss.

No commodity price sensitivity analysis is prepared as effect of changes in commodity prices would be immaterial to the company.

##### ix) Provisions

Provisions are recognised in accordance with the accounting policy in Note 2.8. 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.

##### x) 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 AND CAPITAL RISKS 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 directors and the shareholders meet periodically to analyses, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are as follows:

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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

There has been no change to the nature of the company's exposure to financial risks or the manner in which it manages and measures the risk. Foreign currency risk and interest rate risk are measured using sensitivity analysis as indicated in respective sections.

##### a) Categories of financial assets and liabilities

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

	<u>2023</u> US\$	<u>2022</u> US\$
<b><u>Financial assets</u></b>		
<u>At amortised costs:</u>		
- Trade and other receivables	2,503,967	347,786
- Cash and bank balances	681,841	583,807
	3,185,808	941,593
 <b><u>Financial liabilities</u></b>		
<u>At amortised costs:</u>		
- Trade and other payables	3,991,481	74,988
<u>At FVTPL</u>		
Derivative financial instrument	16,175	-
	4,007,656	74,988

Further quantitative disclosures are included throughout these financial statements.

##### b) Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to company resulting in a loss to the company. The company's objective is to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. Due to the nature of its customer base, the company's concentration of credit risk and exposure are limited to four (2022: three) customers.

##### 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. 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. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

##### *Significant increase in credit risk*

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.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

###### b) Credit risk – cont'd

###### *Significant increase in credit risk – cont'd*

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 debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

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.

###### *Credit-impaired*

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 counter-party;
- 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; or
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

##### b) Credit risk – cont'd

###### *Default event*

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower 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 financial asset 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 the counterparty has placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the contractual payments are more than 365 days past due, whichever occurs sooner.

Where financial assets 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.

###### Credit risk rating grades

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows.	12-month ECL
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
III – Non-performing	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Write off

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

###### b) Credit risk – cont'd

###### Credit risk rating grades – cont'd

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

###### i) Trade receivables

The company's trade receivable related to sale of while defined sugar to external parties through credit evaluation, credit limits and debt monitoring procedures on an ongoing basis. Where appropriate, the company obtains advance payment or letters of credits for all customers including related parties. The management regularly reviews collectability and aging of the outstanding receivables and allowances for doubtful debts will be made if there are doubts over collectability. The significant concentration of credit risk arose from a single customer which represents 65% (2022: 90%) of the total gross trade receivables of the company at the end of the reporting period. The company adopts a pro-active approach in its credit evaluation process, credit policies and credit control as well as collection procedures to manage risk arising from the concentration of its credit exposure.

###### Other receivables

For purchase advance due from holding company, the Board of Directors has taken into account information that it has available internally about the holding company's past, current and expected operating performance and cash flow position. The Board of Directors monitors and assesses at each reporting date on any indicator of significant increase in credit risk on the amounts due from the holding company, by considering any default in external debts and any amount due to the holding company arose from purchase of goods. The risk of default is considered to be minimal as the holding company has sufficient liquid assets and cash to repay their debts. Therefore, amounts due from holding company has been measured, based on 12-month expected credit loss model and subject to insignificant credit losses.

The concentrations of credit risk from other receivables arose from third parties. Ongoing credit evaluation is performed on the financial condition of the third parties, credit exposure is controlled by counterparty limits that are reviewed and approved by the management. Based on the past experience the management believes that no impairment of allowances is necessary.

###### ii) Cash and bank balances

The company's cash and bank balances as detailed in Note 9 to the financial statements are held in major financial institutions, which are regulated and located in Singapore, which the management believes are of high credit quality and have good credit ratings. The main purpose of these financial instruments is to finance the company's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors' resolutions, with banking mandates, which define the permitted financial instruments, and facilities limits, all of which are approved by the Board of Directors. All financial transactions require dual signatories. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The company considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances is negligible

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

###### b) Credit risk – cont'd

###### Credit risk rating grades – cont'd

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

###### **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 or impaired**

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

###### c) Foreign currency exchange rate risk

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

The company trades mainly in the United States dollars, Great Britain Pounds, Hong Kong dollars and Euro dollars. The company also holds cash and bank balances in Singapore dollars for working capital purposes. Foreign currency exchange exposures are naturally hedged as both revenues and corresponding purchases are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates. However, exposure to foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level. Management believes that the foreign exchange risk is manageable. Hence, the company does not use derivative financial instruments to mitigate the risk.

###### Sensitivity analysis

No foreign currency sensitivity analysis has been prepared as the amount would be immaterial to the company.

The management is of the opinion that the sensitivity analysis includes only outstanding foreign currency denominated monetary items. In management's option, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

###### d) 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 period and in the future years.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

##### d) Interest rate risk – cont'd

The company is exposed to interest rate risk through the impact of the changes on interest bearing finance leases and demand deposits. The company's policy is to obtain most favourable interest rate available in the market. Demand deposit earns interest as stated in Note 9 to the financial statements. The risk exposure is not significant as the interest income is not significant source of the company's income. Management believes that the interest rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate the risk.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

##### Interest rate sensitivity

No interest rate sensitivity analysis has been prepared as the amount would be immaterial to the company.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

##### e) Liquidity risk

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

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed condition, without incurring unacceptable losses or risking damage to the company's reputation.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of each 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 receive or pay.

2023	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows			Total US\$
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	More than 5 years US\$	
<b><u>Non-derivative Financial liabilities</u></b>						
Trade and other payables	-	3,991,481	3,991,481	-	-	3,991,481
Total undiscounted financial liabilities		3,991,481	3,991,481	-	-	3,991,481
<b><u>Derivatives Financial liabilities</u></b>						
Commodities futures		16,175	-	-	16,175	16,175

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

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

##### e) Liquidity risk – cont'd

2022	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows			Total US\$
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	More than 5 years US\$	
<b><u>Non-derivative Financial liabilities</u></b>						
Trade and other payables	-	74,988	74,988	-	-	74,988
Total undiscounted financial liabilities		<u>74,988</u>	<u>74,988</u>	<u>-</u>	<u>-</u>	<u>74,988</u>

The management has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and other borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

##### 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 has determined that the carrying amounts of cash and bank balances, trade and other receivables, trade and other payables that are repriced at market rate and finance leases, based on their notional amounts; reasonably approximate their fair values because these are mostly short-term in nature.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

##### 5.2. Capital Risk Management Policies and Objectives

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

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment to equity holders, return capital to equity holders, issue new shares, obtain new borrowings or redeem borrowings.



## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

##### 5.2. Capital Risk Management Policies and Objectives – cont'd

The company monitors capital using gearing ratio, which is net debt divided by total equity plus net debts. Net debt is calculated as trade and other payables less cash and bank balances. Equity attributable to the owners of the Company comprises share capital and retained earnings. The company's overall strategy remains unchanged during the period.

	<u>2023</u> US\$	<u>2022</u> US\$
Trade and other payables	3,991,481	74,988
Cash and bank balances	(681,841)	(583,807)
Net debt/(cash)	3,309,640	(508,819)
Total equity	3,314,543	868,779
Total capital	6,642,183	359,960
Gearing ratio	50%	N.M.

N.M. – Not meaningful to compute gearing ratio as the cash and bank balances are greater than lease liabilities and trade and other payables.

The capital structure of the company is mainly consisting of equity and net debts. The company reviews the capital structure from time to time and will continue to monitor economic conditions in which it operates and will make adjustments to its capital structure where necessary.

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

#### 6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The company was a wholly subsidiary of Dhampur Sugar Mills Limited, incorporated in India which was also the company's ultimate holding company. However, on 3 May 2022, the company became subsidiary of Dhampur Bio Organics Limited, incorporated in India which is also the company's ultimate holding company. This was part of the sanction of Scheme of Arrangement issued by The National Company Law Tribunal Allahabad Bench, Prayagraj.

##### Related party relationship

FRS 24 defines a related party as an entity or person that directly or indirectly through one or more intermediaries' controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family or any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The definition includes Parent Company, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

Some of the company's transactions and arrangements are with its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The inter-company balances are unsecured, interest-free and repayable on demand.

a) During the financial year, the company entered into the following transaction with its holding company: -

	<u>2023</u> US\$	<u>2022</u> US\$
Purchases of goods	<b>31,684,983</b>	-

Sales of goods to/from its holding company are made at prices, which are not materially different to those applicable to third party customers and suppliers.

b) Compensation of key management personnel

Key management personnel are directors, those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

The remuneration of key management personnel of the company during the financial period is as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
<u>Compensation paid to a director</u>		
- Remunerations	217,927	124,555
- CPF	7,588	-
- benefits	43,779	76,372
	<b>269,294</b>	<b>200,927</b>

#### 7. PROPERTY, PLANT AND EQUIPMENT

<u>2023</u>	<u>Furniture &amp; Fittings</u> US\$	<u>Office Equipment</u> US\$	<u>Renovation</u> US\$	<u>Total</u> US\$
<b>Cost</b>				
Balance as at 1.4.2022	8,958	27,126	26,078	62,162
Additions	-	6,414	-	6,414
Disposal	(8,958)	(27,126)	(26,078)	(62,162)
<b>Balance as at 31.3.2023</b>	-	<b>6,414</b>	-	<b>6,414</b>
<b>Accumulated depreciation</b>				
Balance as at 1.4.2022	8,958	25,578	25,452	59,988
Charged for the year	-	1,563	626	2,189
Disposal	(8,958)	(27,126)	(26,078)	(62,162)
<b>Balance as at 31.3.2023</b>	-	<b>15</b>	-	<b>15</b>
<b>Carrying amount</b>				
<b>Balance as at 31.3.2023</b>	-	<b>6,399</b>	-	<b>6,399</b>
Balance as at 31.3.2022	-	1,548	626	2,174

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 7. PROPERTY, PLANT AND EQUIPMENT – cont'd

<u>2022</u>	Furniture & Fittings US\$	Office Equipment US\$	Motor Vehicle US\$	Renovation US\$	Office Premises US\$	Total US\$
<u>Cost</u>						
Balance as at 1.4.2021	8,958	27,126	353,389	25,452	88,712	503,637
Additions	-	-	-	626	-	626
Disposal	-	-	(353,389)	-	(88,712)	(442,101)
<b>Balance as at 31.3.2022</b>	<b>8,958</b>	<b>27,126</b>	<b>-</b>	<b>26,078</b>	<b>-</b>	<b>62,162</b>
<u>Accumulated depreciation</u>						
Balance as at 1.4.2021	7,935	22,491	212,032	21,120	70,970	334,548
Charged for the year	1,023	3,087	21,688	4,332	5,965	36,095
Disposal	-	-	(233,720)	-	(76,935)	(310,655)
<b>Balance as at 31.3.2022</b>	<b>8,958</b>	<b>25,578</b>	<b>-</b>	<b>25,452</b>	<b>-</b>	<b>59,988</b>
<u>Carrying amount</u>						
<b>Balance as at 31.3.2022</b>	<b>-</b>	<b>1,548</b>	<b>-</b>	<b>626</b>	<b>-</b>	<b>2,174</b>
Balance as at 31.3.2021	1,023	4,635	141,357	4,332	17,742	169,089

During the financial year, the company carried out a review of the recoverable amount of all plant and equipment. As a result, there were no allowances for impairment or revisions to the useful lives required for plant and equipment.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

During the previous financial year, equity instruments designated at FVOCI of US\$28,464 were disposed off at their fair value. At the date of derecognition, US\$20,625 that was previously included in the fair value reserve of equity instruments at FVOCI (non-recycling) was transferred directly to accumulated losses during the year ended 31 March 2022.

#### 9. CASH AND BANK BALANCES

	<u>2023</u> US\$	<u>2022</u> US\$
Cash at hand	7,625	5,769
Bank balances	674,216	578,038
	<b>681,841</b>	<b>583,807</b>

Cash and bank balances comprise cash held by the company and short-term bank deposits which earn interest at floating rates based on daily bank deposit rates.

Cash and bank balances are denominated in the following currencies:

	<u>2023</u> US\$	<u>2022</u> US\$
Singapore dollars	55,692	59,417
United States dollars	614,350	397,568
Euro	3,749	41,951
British pounds	8,050	38,542
Hong Kong dollars	-	46,329
	<b>681,841</b>	<b>583,807</b>

#### 10. TRADE AND OTHER RECEIVABLES

	<u>2023</u> US\$	<u>2022</u> US\$
Trade receivables:		
- external parties	2,488,630	393
Other receivables:		
- loan receivables	-	310,000
- external parties	15,337	37,393
	2,503,967	347,786
Other current assets:		
- deposits	48,348	10,000
Advance to suppliers:		
-holding company (Note 6)	4,050,000	-
-external party	31,644	-
	<b>6,633,959</b>	<b>357,786</b>

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 10. TRADE AND OTHER RECEIVABLES – cont'd

##### i) Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2022: 30 to 90) days' credit terms. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

##### Trade receivables that are neither past due or impaired

The trade receivables that are neither past due nor impaired at the end of the reporting period are creditworthy debtors with good payment record with the Company and are mostly regular customers. Management has assessed that there is no requirement for disclosure of provision matrix to calculate expected credit loss on the trade receivables as at end of the reporting date, as there is no probability of insolvency or significant financial difficulties of the debtor or significant delay in payments.

##### Trade receivables that are impaired

For the year ended 31 March 2023, a bad debt of **Nil** (2022: US\$4,512) were recognised in profit or loss subsequent to a debt recovery assessment performed on trade receivables as at 31 March 2023.

##### ii) Loan receivable

In the previous financial year, the company granted a short-term loan to an external party, secured by a guarantee from an overseas company, which bore interest at the rate of 9% per annum and is repayable on demand. Accordingly, the loan has been fully repaid during the financial year.

In the previous financial year, in determining the recoverability of loan receivable, the company considered the financial strength and performance of the borrower. Accordingly, management believes that no allowance for doubtful debts was needed.

##### iii) Other receivables

In determining the recoverability of other receivables, the company considers any change in the credit quality of the other receivable from the date credit was initially granted up to the reporting date. The majority of credit risk for other receivables for the company relate to amounts due from third parties, which are unsecured, interest-free and repayable on demand.

Management has assessed the credit worthiness of the other debtors considers that no allowances for impairment of other receivables is necessary as there were no recent history of default in respect of these debtors.

##### iv) Deposits

Deposits refer to futures margin money deposits held with a futures trading broker to operate the futures commodity derivatives. Impairment of margin deposits has been measured on the 12 months expected loss basis and reflects the short maturities of the exposures. The company considers that its margin deposit has low credit risk based on futures trading broker's credit worthiness.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 10. TRADE AND OTHER RECEIVABLES – cont'd

##### v) Advance to supplies

Advance to supplies are for purchase of white refined sugar, which are to be delivered within one month. Management always estimates the loss allowance on amounts due from supplies at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the industry. None of the amounts due from suppliers at the end of the reporting period is past due. There has been change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the advance to suppliers.

Trade and other receivables are denominated in the following currencies:

	<u>2023</u> US\$	<u>2022</u> US\$
Singapore dollars	-	393
United States dollars	6,633,959	357,393
	6,633,959	357,786

#### 11. SHARE CAPITAL

	<u>2023</u> <u>Number of ordinary shares</u>	<u>2022</u>	<u>2023</u> US\$	<u>2022</u> US\$
Issued and paid up:				
At beginning of year	6,010,000	6,010,000	6,007,609	6,007,609
Issuance of new shares	2,000,000	-	2,000,000	-
At end of year	8,010,000	6,010,000	8,007,609	6,007,609

During the financial year, the company allotted and issued 2,000,000 ordinary shares of US\$1 each to its holding company, Dhampur Bio Organics Limited for a cash consideration of US\$2,000,000. The proceeds were used for working capital purposes.

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All shares rank equally with regard to the company's residual assets. The company has one class of ordinary shares with no par value, which carry no right to fixed income.

#### 12. DERIVATIVES FINANCIAL INSTRUMENTS

The derivative financial instruments are as follows:

	<u>Contractual</u> <u>Notional value</u>	<u>Fair value</u>	
<u>2023</u>	US\$	Asset US\$	Liability US\$
Commodities futures			
Purchases	157,575	-	(16,175)
Sales	141,400	-	-
		-	(16,175)
		-	(16,175)

The company enters into commodities future contracts to mitigate the financial risk related to the purchases and sales of commodity products. A net fair value loss of approximately US\$19,830 (2022: Nil) is recognised in the income statement. The settlement dates of open contracts are less than 12 months from the end of the reporting period.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 13. TRADE AND OTHER PAYABLES

	<u>2023</u> US\$	<u>2022</u> US\$
Trade payables:		
- holding company (Note 6)	3,139,581	62,453
Advance from customers		
- external parties	786,990	-
Other payables:		
- accrued charges	10,840	7,500
- director	54,070	5,035
	<u>3,991,481</u>	<u>74,988</u>

Trade payables are non-interest bearing and generally up to 180 (2022:180) days' credit term. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The mount due to director is non-trade related, unsecured, interest free and repayable on demand in cash.

Advance received from customers primarily relate to the company's obligations to transfer goods to customers for which the company has received advanced received from customers for sale of goods. Advance from customers are recognized as revenue as the company performs under the contract, usually upon delivery of the goods to customers.

#### 14. REVENUE

Revenue represents net total invoiced value of goods supplied, services rendered, after allowances for returns and trade discounts. The revenue is recognised at a point in time.

#### 15. OTHER INCOME

	<u>2023</u> US\$	<u>2022</u> US\$
Government grants:		
- JSS	-	7,338
- JGI	-	1,049
Other income	4,350	10,999
Dividend income	-	330
Gain on disposal of motor vehicle	-	53,972
Other payables written back	62,453	11,934
Interest income	14,533	41,525
	<u>81,336</u>	<u>127,147</u>

#### Government Grant

##### i) Jobs Support Scheme ("JSS")

The Job Support Scheme ("JSS") was introduced in the Budget 2020 and enhanced subsequently in the four supplementary budgets to provide wage support to employers to help them retain their local employees during the period of economic uncertainty. Under the JSS, the Government co-funds the first \$4,600 of gross monthly wages (include employee CPF contributions but exclude employer CPF contributions) paid to each local employee. In the Budget 2021, the JSS was further extended for firms in Tier 1 and 2 sectors by up to six- months, covering wages paid up to September 2021. JSS was further enhanced for certain sectors for 22 November to 19 December 2021 of 10% of corresponding wages for August to October 2021.

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. **OTHER INCOME – cont'd**

ii) Jobs Growth Incentive ("JGI")

The Jobs Growth Incentive (JGI) was first introduced on 17 August 2020 to promote local hires. JGI is a salary that provides employers with 15% to 50% salary support for new employees hired between September 2020 to March 2021. The amount of salary support given depends on when the Company hire the employee and their age. JGI was extended in Budget 2021 to end September 2021 and was further extended for a third phase from October 2021 to March 2022. In the third phase of the JGI, salary support for new local hires will last up to 6 months for workers below 40 (down from 12 months) and up to 18 months for workers over 40, persons with disabilities (PwDs) and ex-offenders (down from 18 months). There is also a cap of \$5,000 salary for non-mature hires and \$6,000 for new employees who are mature, PwDs and ex-offenders. As announced in Budget 2023, JGI will be extended for a fourth phase from April 2022 to September 2022.

16. **FINANCE COSTS**

	<u>2023</u> US\$	<u>2022</u> US\$
Interest on lease liabilities	-	1,374

17. **INCOME TAX EXPENSE**

a) Major component of income tax expenses/(benefits)

The major components of income tax expenses/(benefits) are as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
Current year's income tax	-	-

b) Relationship between income tax expenses/(benefit) and accounting profit/(loss)

The reconciliation between tax expenses/(benefit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the periods ended 31 March 2023 and 31 March 2022 are as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
Profit/(Loss) before income tax	445,764	(477,012)
Tax expenses/(benefit) of the domestic income tax rate 17% (2022: 17%)	75,780	(81,092)
Tax effect of:		
- (allowable)/taxable expenses	(20,115)	2,864
- utilisation on of deferred tax assets	(55,665)	-
- tax losses carry forwards	-	78,228
Total income tax expenses	-	-



## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

#### 17. INCOME TAX EXPENSE – cont'd

##### c) Unrecorded deferred tax benefit

The company has tax loss carry forwards and temporary differences from capital allowances available for offsetting against future taxable income as follows:

	<u>2023</u> US\$	<u>2022</u> US\$
Amount at beginning of year	3,949,609	3,489,441
(Amount utilised in)/Amount in current year	<u>(327,443)</u>	<u>460,168</u>
Amount at end of year	<u>3,622,166</u>	<u>3,949,609</u>
Deferred tax benefit on above unrecorded at 17% (2022: 17%)	<u>615,768</u>	<u>671,434</u>

The realisation of the future income tax benefits from tax loss carry forwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefit of the remaining tax loss carried forward and temporary differences from capital allowances have not been recognised in the financial statements because it is not probable to determine that the future taxable profit will be available against which the company can utilise the benefits thereon.

Comparative figures in 2022 for unutilised tax losses have been adjusted based on the last income tax returns.

#### 18. PROFIT/(LOSS) FOR THE YEAR

Profit/(Loss) for the year has been arrived at after charging:

	<u>2023</u> US\$	<u>2022</u> US\$
Director's emoluments		
- remuneration	217,927	124,555
- CPF	7,588	-
Employee benefit expenses, inclusive of directors' emoluments	356,378	339,733
Cost of defined contribution included in employee benefit expense	9,833	11,893
Foreign currency exchange adjustment loss	14,577	5,249
Inventories recognised as an expense in cost of goods sold	31,684,983	-
Fair value loss on commodity	19,830	-
Loss on disposal of ROU	-	11,777
Bad debts written off trade receivables	<u>27,987</u>	<u>4,512</u>

## DHAMPUR INTERNATIONAL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 19. **IMPACT OF COVID-19**

The COVID-19 outbreak and measures taken to contain the spread of the pandemic have created high level of uncertainty to global business conditions and the situation has continued to evolve since 2020. Set out below is the impact of COVID-19 on the Company's assessment and financial performance reflected in the set of financial statements for the year ended 31 December 2022.

- The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- The Company has considered the market conditions (including the impact of COVID-19) as at 31 December 2022, in making estimates on the recoverability of assets and concluded that no significant impairment is required.

As the COVID-19 situation continues to improve and local and global business activities and operations return to normalcy progressively, the Company believe that there will not be significant impact of COVID-19 on its operating and financial performance for the financial year ending 31 December 2022.

#### 20. **THE RUSSIA –UKRAINE WAR AND ITS CORRESPONDING IMPACT ON THE COMAPNY**

The Russia-Ukraine conflict escalated in February 2022 which resulted in the imposition of economic sanctions on Russia by various countries, including Singapore. The Company does not currently expect the Russia-Ukraine conflict to have any direct significant adverse impact on the Company's results in the coming financial year. As this is an event that is not under the Company's control, and factors such as continuing or stopping the conflict may affect the Company's operations, the Company continuously monitors changes in markets in Singapore and around the world and examines the implications for its business results. As of the date of approval of the Financial Statements, the Company cannot estimate the implications of this event, including its future impact on its future financial position. The Company will be monitoring the situation and may consider implementing appropriate measures to mitigate any adverse impact of the Russian-Ukraine conflict on the Company's operations.

#### 21. **EVENTS AFTER THE REPORTING PERIOD**

No items, transactions or events of material and unusual nature have arisen in the interval between the end of the financial period and the date of authorisation for the issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

## DHAMPUR INTERNATIONAL PTE. LTD.

### DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> US\$	<u>2022</u> US\$
<b>Revenue</b>	32,667,500	-
<b>Less: Cost of goods sold</b>		
Purchases	<u>(31,684,983)</u>	<u>-</u>
<b>Gross profit</b>	982,517	-
<b>Add: Other income</b>		
Government grants:		
- JSS	-	7,338
- JGI	-	1,049
Other income	4,350	10,999
Dividend income	-	330
Gain on disposal of motor vehicle	-	53,972
Other payables written back	62,453	11,934
Interest income	14,533	41,525
	<u>81,336</u>	<u>127,147</u>
	1,063,853	127,147
<b>Less: Operating expenses</b>		
- Schedule 'A'	<u>(618,089)</u>	<u>(604,159)</u>
<b>Profit/(Loss )before income tax</b>	<u>455,764</u>	<u>(477,012)</u>

This schedule does not form part of the audited statutory financial statements.

## DHAMPUR INTERNATIONAL PTE. LTD.

Schedule 'A'

### OPERATING EXPENSE

FOR THE YEAR ENDED 31 MARCH 2023

	<u>2023</u> US\$	<u>2022</u> US\$
<b>Marketing and distribution expenses</b>		
Business promotion expenses	-	21,265
Entertainment expenses	37,100	908
<b>Administrative expenses</b>		
Auditors' remuneration	10,000	6,500
Bank charges	8,111	2,960
CPF	2,245	11,893
Commission paid	9,392	-
Director's emoluments:		
- remuneration	217,927	124,555
- CPF	7,588	4,946
- benefits	43,779	76,372
Foreign currency exchange adjustment loss	14,577	-
Legal and professional fee	5,970	22,483
Medical expenses	2,810	10,470
Office maintenance	7,527	5,720
Postages and courier	2,220	1,810
Printing and stationery expenses	972	2,467
Rental expenses	-	13,343
Salaries and allowances	84,839	126,913
Subscription & membership charges	45,531	22,893
Telephone, fax and internet charges	23,939	27,040
Travelling expenses	1,956	37,948
Transport	39,538	23,100
Water and electricity	2,062	3,072
<b>Finance costs</b>		
Interest on lease liabilities	-	1,374
<b>Other expenses</b>		
Depreciation of plant and equipment	2,189	36,095
Fines and penalties	-	3,743
Bad debts written off :trade receivables		
-non-trade receivables	27,987	-
-trade receivables	-	4,512
Fair value loss on commodities futures	19,830	-
Loss on disposal of ROU	-	11,777
	<b>618,089</b>	<b>604,159</b>

This schedule does not form part of the audited statutory financial statements.