

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED
(Incorporated in Singapore with its Registration Number 200809977K)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

REGISTERED OFFICE:
141 Cecil Street
#11-03 Tung Ann Association Building
Singapore 069541.

INCOME TAX REFERENCE NO: 200809977K

UNITED STATES (\$) CURRENCY

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED
(Incorporated in Singapore with its Registration Number 200809977K)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2025

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KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

The directors are pleased to present their statement together with the audited financial statements of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** (the "Company") for the financial year ended 31 March 2025.

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 2025 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' RESPONSIBILITY

We, the directors of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** do hereby state that, we are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards.

The responsibility includes:

- (a) 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 statement of profit or loss and other comprehensive income and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies;
- (c) making accounting estimates that are reasonable in the circumstances; and
- (d) assessing the risk of fraud and communicate to governing body on outcome of those assessment.

3. DIRECTORS

The directors of the Company at the date of this report are:

MITESH KOTHARI

KOTHARI APURVA ATULBHAI

AVINASH GUPTA (Resigned on 09 September 2024)

DEEPAK GAMBHIRDAS GANDHI (Appointed on 09 September 2024)

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was 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.

5. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholding kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

<u>Name of directors</u>	<u>Direct interest</u>		<u>Deemed interest</u>	
	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
<u>The Company</u>	<u>01.04.2024</u>	<u>31.03.2025</u>	<u>01.04.2024</u>	<u>31.03.2025</u>
Kothari Apurva Atulbhai	20	20	-	-
<u>Ultimate Holding Company</u>				
Kothari Products Limited	36,000,000	28,800,000	-	-
Mitesh Kothari	-	-	*2,437,668	*4,875,336

*Shares held by Mitesh Kothari in Kothari Products Limited

6. SHARE OPTIONS

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

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

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

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED
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DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

7. **AUDITOR**

T Ravi Practice PAC, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,



MITESH KOTHARI
Director



KOTHARI APURVA ATULBHAI
Director

Singapore.

23 MAY 2025



T RAVI PRACTICE PAC

PUBLIC ACCOUNTANTS, CHARTERED ACCOUNTANTS
Company No.: 202332025G
(Incorporated with Limited Liability)

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#24-10 Singapore 069533
Tel : +65 6222 2410/+65 6220 5541
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** (the "Company"), which comprise the statement of financial position as at **31 March 2025**, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 2 to 4), but does not include the financial statements and our auditor's report thereon.

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



T RAVI PRACTICE PAC

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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.

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



T RAVI PRACTICE PAC

PUBLIC ACCOUNTANTS, CHARTERED ACCOUNTANTS
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

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

T Ravi Practice PAC

**T Ravi Practice PAC,
Public Accountants and
Chartered Accountants of Singapore.**

Singapore.
23 May 2025

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<u>Note</u>	2025 \$	2024 \$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	4	-	-
		<u>-</u>	<u>-</u>
Current assets			
Trade receivables	5	33,780,294	53,831,541
Other receivables	6	2,285,911	2,236,652
Amount owing from a shareholder	7	500,000	500,000
Cash and bank balances	8	2,822,662	1,604,610
		<u>39,388,867</u>	<u>58,172,803</u>
Less: Current liabilities			
Trade payables	9	-	1,796,572
Other payables	10	45,190	242,106
Provision for taxation	11	-	-
		<u>45,190</u>	<u>2,038,678</u>
Net current assets		<u>39,343,677</u>	<u>56,134,125</u>
Net assets		<u>39,343,677</u>	<u>56,134,125</u>
Equity			
Share capital	12	37,581,782	47,394,662
Retained earnings		1,761,895	8,739,463
		<u>39,343,677</u>	<u>56,134,125</u>

The accompanying notes form an integral part of these financial statements.
Auditor's Report – Page 5-7.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2025

		01-04-2024 to 31-03-2025 \$	01-04-2023 to 31-03-2024 \$
	Note		
Revenue	13	74,231,429	84,961,158
Direct costs – purchases and incidentals	14	(73,601,414)	(84,132,668)
Other income	15	7,925	496,683
Allowance for impairment	5&6	(7,223,926)	-
Staff costs inclusive of director's remuneration	16	(285,701)	(291,194)
Depreciation expenses	4	-	(39,136)
Finance costs		(13,522)	(102,856)
Other operating expenses		(92,359)	(75,101)
Net (loss)/profit before taxation	17	(6,977,568)	816,886
Income tax	11	-	-
Net (loss)/profit for the year		(6,977,568)	816,886
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Income tax relating to components of other comprehensive income		-	-
Total comprehensive (loss)/ income for the year		(6,977,568)	816,886

The accompanying notes form an integral part of these financial statements.
Auditor's Report – Page 5-7.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

	Issued share capital	Retained earnings	Total
	\$	\$	\$
At 01 April 2023	47,394,662	7,922,577	55,317,239
Total comprehensive income for the year	-	816,886	816,886
At 31 March 2024	<u>47,394,662</u>	<u>8,739,463</u>	<u>56,134,125</u>
Share redemption	(9,812,880)	-	(9,812,880)
Total comprehensive loss for the year	-	(6,977,568)	(6,977,568)
At 31 March 2025	<u><u>37,581,782</u></u>	<u><u>1,761,895</u></u>	<u><u>39,343,677</u></u>

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

STATEMENT OF CASHFLOWS

For the financial year ended 31 March 2025

	2025	2024
	\$	\$
Cash flows from operating activities		
(Loss)/profit before income tax	(6,977,568)	816,886
Depreciation	-	39,136
Interest expenses	-	93,835
Interest income	(3,150)	(1,020)
Allowance for impairment	7,223,926	-
Profit on sale of property	-	(492,079)
	<u>243,208</u>	<u>456,758</u>
Working capital changes:		
Trade and other receivables	12,778,062	(2,878,857)
Trade and other payables	(1,993,488)	399,295
Cash generated from/(used in) operations	<u>11,027,782</u>	<u>(2,022,804)</u>
Income tax paid	-	-
Net cash generated from/(used in) operating activities	<u>11,027,782</u>	<u>(2,022,804)</u>
Cash flows from investing activities		
Interest income	3,150	1,020
Sale proceeds from sale of property	-	2,615,237
Net cash generated from investing activities	<u>3,150</u>	<u>2,616,257</u>
Cash flows from financing activities		
Interest expenses	-	(93,835)
Repayment of bank loan	-	(1,645,256)
Redemption of shares	(9,812,880)	-
Net cash used in financing activities	<u>(9,812,880)</u>	<u>(1,739,091)</u>
Net increase/(decrease) in cash and cash equivalents	<u>1,218,052</u>	<u>(1,145,638)</u>
Cash and cash equivalents at beginning of the year	<u>1,604,610</u>	<u>2,750,248</u>
Cash and cash equivalents at the end of the year	<u><u>2,822,662</u></u>	<u><u>1,604,610</u></u>

The accompanying notes form an integral part of these financial statements.
Auditors' Report – Page 5-7.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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

1. CORPORATE INFORMATION

The company is a limited liability company which is incorporated in the Republic of Singapore with its registered office at 141 Cecil Street, #11-03 Tung Ann Association Building, Singapore 069541.

The principal activities of the company are those of business in general wholesale trade (including imports and exports), business management and consultancy services and other general trade.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollars, which is the Company's functional currency. The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for financial period beginning on 1 April 2024. The adoption of these standards did not have any material effect on financial statements of the Company.

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 <i>Statement of Cashflows</i> and FRS 107 Financial Instruments: Disclosures: Supplier Finance Arrangements	1 January 2024

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 21 <i>Effects of changes in foreign exchange rates: Lack of Exchangeability</i>	1 January 2025
Amendments to FRS 109 Financial Instruments and FRS 107 Financial Instruments: Disclosures: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to FRSs Volume 11	1 January 2026
FRS 118 Presentation and Disclosure in Financial Statements:	1 January 2027

2.4 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Property	50 years
Furniture and fittings	05 years
Office equipment	03 years
Office renovation	05 years
Computers	03 years

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired.

If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 FINANCIAL INSTRUMENTS

a) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 IMPAIRMENT OF FINANCIAL ASSETS

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

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

The Company considers a financial asset in default when contractual payments are 180 days past due.

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

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include bank overdrafts (if any) that form an integral part of the Company's cash management

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 PROVISION FOR TAXATION

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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

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

2.12 SHARE CAPITAL

Proceeds from issue of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.13 REVENUE RECOGNITION

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

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 goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume rebates based on the aggregate sales over a period of time. The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns.

Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company recognises the expected volume rebates payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Separately, they recognise a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

At the end of each reporting date, the Company updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

The Company also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods. The Company has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

b) Other Sales/Service income

Revenue from rendering of services is recognised when the services have been performed and rendered.

c) Interest income

Interest income is recognised using the effective interest method.

2.14 EMPLOYEE BENEFITS

a) Defined contribution plans

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

b) Short-term employee benefits

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.15 GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.16 BORROWING COSTS

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

2.17 RELATED PARTIES

A related party is defined as follows:

- a) a person or a close member of that person's family is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or of a parent of the company;
- b) an entity is related to the company if any of the following conditions applies:
 - (i) the entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)
 - (iii) both entities are joint ventures of the same third party
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such as plan, the sponsoring employers are also related to the company;

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a)
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

(i) *Determination of functional currency*

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates.

Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

(ii) Revenue recognition

The management has considered the detailed criteria for the recognition of revenue from the sale of goods as set out in FRS 115 and in particular whether the company has transferred to the buyer the control of goods. Revenue excludes goods and service taxes, if any, and is arrived at after deducting of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, the management is satisfied that the control have been transferred and the recognition of revenue in the current year is appropriate.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

(iii) Income taxes

Significant judgment is required in determining the provision for unsettled trade receivables and deductibility of such amount from the income during the estimation of the provision for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provisions in the year in which such determination is made. The carrying amount of company's tax liabilities at 31 March 2025 was \$NIL/- (2024: \$NIL/-).

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of Property, Plant and Equipment

The Company reviews the estimated useful lives of property, plant and equipment at each year end. Management determined that the estimated useful lives of property, plant and equipment were appropriate and there was no revision for the financial year.

(ii) Provisions 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 areas. 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 changed 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.

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For the financial year ended 31 March 2025

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. There was no allowance for expected credit loss by the company for the years ended 31 March 2025 and 2024.

The carrying amount of the company's trade receivables as at 31 March 2025 was \$33,780,294/- (2024: \$53,831,541/-). The company did not provide detailed information on how the forecast economic conditions have been incorporated in the determination of ECL because the impact is not significant.

4. PROPERTY, PLANT AND EQUIPMENT

	<u>Balance</u> <u>on</u> <u>01/04/2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>on</u> <u>31/03/2025</u>
<u>Cost</u>	\$	\$	\$	\$
Property	-	-	-	-
Furniture & fittings	61,707	-	-	61,707
Office equipment	19,094	-	-	19,094
Office renovation	10,551	-	-	10,551
Computers	45,502	-	-	45,502
	<u>136,854</u>	<u>-</u>	<u>-</u>	<u>136,854</u>
Accumulated depreciation				
Property	-	-	-	-
Furniture & fittings	61,707	-	-	61,707
Office equipment	19,094	-	-	19,094
Office renovation	10,551	-	-	10,551
Computers	45,502	-	-	45,502
	<u>136,854</u>	<u>-</u>	<u>-</u>	<u>136,854</u>
Depreciation Charge for			Net Book Value	
	2024		2024	2025
	\$		\$	\$
Property	35,498		-	-
Furniture & fittings	-		-	-
Office equipment	-		-	-
Office renovation	2,111		-	-
Computers	1,527		-	-
	<u>39,136</u>		<u>-</u>	<u>-</u>

The property has been sold in the previous year. Property, plant and equipment are denominated in Singapore dollars.

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5. TRADE RECEIVABLES

	2025	2024
	\$	\$
Trade receivables - outsiders	40,979,547	53,831,541
Less: Movement in allowance	(7,199,253)	-
	<u>33,780,294</u>	<u>53,831,541</u>

Movement in allowance for impairment: -

	2025	2024
	\$	\$
Balance at the beginning of the year	-	1,505,187
Allowance made during the year	7,199,253	-
Reversal of allowance during the year	-	(1,505,187)
	<u>7,199,253</u>	<u>-</u>

	2025	2024
	\$	\$
Not past due and not impaired	33,780,294	40,696,901
Past due and not impaired	-	13,134,640
	<u>33,780,294</u>	<u>53,831,541</u>

Credit terms of the trade receivables are at sight to 180 days. Trade receivables are denominated in United States Dollars. The current receivables with a short duration are not discounted for present value and the carrying values are assumed to approximate the fair value. No interest is charged on the outstanding balances. Trade receivables are provided for based on estimated irrecoverable amounts from sale of goods, determined by reference to past default experience. Company's trade receivable balance are debtors with carrying amounts of Nil/- which are past due at the end of the reporting period for which the company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable if any. The management believes that trade receivables that are neither due nor past due but not impaired are with creditworthy counter parties.

The Company applied simplified approach to provide the expected credit losses prescribed by FRS 109. Impairment assessment on trade receivables subject to ECL Model. The debtors are grouped based on shared credit risk characteristics by reference to past default experience and current past due exposure of the debtor, an analysis of the debtor's current financial position, and are adjusted for forward looking information that is available without undue costs or efforts. Based on this as there is no significant expected credit losses, no allowance is provided except an amount of \$7,199,253/-.

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6. OTHER RECEIVABLES

	2025	2024
	\$	\$
Deposits	2,165	2,380
Trade advances - outsiders	2,283,404	2,234,272
Other receivables	342	-
	<u>2,285,911</u>	<u>2,236,652</u>

Other receivables are duties and taxes. The carrying amounts are assumed to be a reasonable approximation of fair values.

	2025	2024
	\$	\$
Trade advances - outsiders	2,838,657	2,764,852
Less: Allowance for impairment	(555,253)	(530,580)
	<u>2,283,404</u>	<u>2,234,272</u>

Movement in allowance for impairment: -

	2025	2024
	\$	\$
Balance at the beginning of the year	530,580	530,580
Allowance for impairment made during the year	24,673	-
Reversals during the year	-	-
Total allowance for impairment	<u>555,253</u>	<u>530,580</u>

Other receivables as at the reporting date are denominated in the following currencies.

	2025	2024
	\$	\$
Singapore Dollars	2,507	2,380
United States Dollars	2,283,404	2,234,272
	<u>2,285,911</u>	<u>2,236,652</u>

7. AMOUNT OWING FROM A SHAREHOLDER

The amount owing from a shareholder is interest free, unsecured and repayable on demand. The carrying amounts are assumed to be a reasonable approximation of fair values. The amount owing from a shareholder is denominated in United States Dollars.

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8. CASH AND BANK BALANCES

The cash and bank balances of the company as at the reporting date are

	2025	2024
	\$	\$
Cash at banks	<u>2,822,662</u>	<u>1,604,610</u>

The cash and bank balances as at the reporting date are denominated in the following currencies:

	2025	2024
	\$	\$
Singapore Dollars	37,134	26,330
United States Dollars	2,783,828	1,576,588
Euro	1,700	1,692
	<u>2,822,662</u>	<u>1,604,610</u>

9. TRADE PAYABLES

Credit terms of the trade payables are at sight to 180 days. The carrying amounts are assumed to be a reasonable approximation of fair values. No interest is charged on the outstanding balances.

Trade payables as at the reporting date are denominated in United States Dollars.

	2025	2024
	\$	\$
Trade payables	<u>-</u>	<u>1,796,572</u>

10. OTHER PAYABLES

	2025	2024
	\$	\$
Other payables	25,402	223,872
Accruals	19,788	18,234
	<u>45,190</u>	<u>242,106</u>

Other payables and accruals as at the reporting date are denominated in the following currencies:

	2025	2024
	\$	\$
Singapore Dollars	1,543	223,872
United States Dollars	43,647	18,234
	<u>45,190</u>	<u>242,106</u>

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11. TAX

(a) Tax expense/(credit)	2025 \$	2024 \$
Current taxation - current year	-	-
(Over) provision in prior years	-	-
	<u>-</u>	<u>-</u>

The income tax on profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due explained in the numerical reconciliation between the accounting profit and tax expense. The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2025 \$	2024 \$
Accounting (loss)/profit	<u>(6,977,568)</u>	<u>816,886</u>
Tax calculated at corporate tax rate of 17%	(1,186,187)	138,871
Tax effect on income under separate source	-	(84,436)
Tax effect on expenses that are not deductible for tax purposes	1,228,067	7,436
Tax effect on unutilised losses brought forward	(533,853)	(595,724)
Tax effect on unutilised losses carry forward	494,398	533,853
Other adjustments due to exchange	<u>(2,425)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

At the reporting date, the company has unabsorbed tax losses of \$2,908,224/- (2024: \$3,140,311) available for offsetting against future taxable income subject to there being no substantial change in the shareholdings as required by the provisions of the Income Tax Act. The deferred tax benefit on these losses amounting to \$494,398/- (2024: \$533,853/-) has not been recognised in the financial statements.

(b) Movement in current income tax liability

	2025 \$	2024 \$
Balance at beginning of financial year	-	-
Tax expense on profit for current financial year	-	-
Tax -net refund/(paid) during the financial year	-	-
(Over) provision in prior years	-	-
Balance at end of financial year	<u>-</u>	<u>-</u>

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For the financial year ended 31 March 2025

12. SHARE CAPITAL

Issued and paid-up ordinary share capital

	2025	2024
	\$	\$
28,800,020 (2024: 36,000,020) Ordinary shares	37,581,782	47,394,662
Balance at end of financial year	<u>37,581,782</u>	<u>47,394,662</u>

The share capital of the company is composed of 10,000,020 ordinary shares for S\$10,000,020. For presentation purposes, Singapore dollar at historical rate has been converted into United States dollar and reported accordingly.

The holders of ordinary shares are entitled to receive dividends as and when declared by the company.

During the year the company paid to one of the share holder USD9,812,880/- for buy back of 7,200,000 shares.

All ordinary shares carry one vote per share without restriction. The ordinary shares carry no right to fixed income. The company is not subject to any externally imposed capital requirements.

The share capital as at the reporting date is denominated in the following currencies

	2025	2024
	\$	\$
Singapore Dollars	7,614,662	7,614,662
United States Dollars	29,967,120	39,780,000
	<u>37,581,782</u>	<u>47,394,662</u>

13. REVENUE

	2025	2024
	\$	\$
Sales to outsiders	<u>74,231,429</u>	<u>84,961,158</u>
<u>Disaggregation of revenue</u>		
Sale of scrap	18,757,429	47,762,858
Sale of electronic products	55,474,000	37,198,300
	<u>74,231,429</u>	<u>84,961,158</u>
<u>Timing of transfer of goods</u>		
At a point of time	<u>74,231,429</u>	<u>84,961,158</u>

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Primary geographical markets:

	2025	2024
	\$	\$
Asia	70,925,429	43,693,214
Europe	-	11,355,725
South America	3,306,000	17,760,000
Australia	-	12,152,219
	<u>74,231,429</u>	<u>84,961,158</u>

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods and services	The company generates revenue from trading or sale of various commodities.
When revenue is recognised	Income from the sale of goods is recognised when the control of goods (i.e.risk of obsolescence and loss of shipment are transferred to the customer)at a point of time.
Significant payment terms	Payment is due within 0 to 180 days from the date of invoice.

14. DIRECT COSTS - COST OF SALES

	2025	2024
	\$	\$
Outsiders		
- Purchases from outsiders	73,491,176	84,132,668
- Handling charges	110,238	-
	<u>73,601,414</u>	<u>84,132,668</u>

15. OTHER INCOME

	2025	2024
	\$	\$
Interest	3,150	1,020
Exchange gain	3,231	3,584
Government grant	1,544	-
Profit on sale of property	-	492,079
	<u>7,925</u>	<u>496,683</u>

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16. STAFF COSTS INCLUDING DIRECTOR'S REMUNERATION

	2025	2024
	\$	\$
Director's fees & remuneration	139,971	147,003
Salary & bonus	136,242	134,800
CPF and SDL contribution	9,488	9,391
	<u>285,701</u>	<u>291,194</u>

17. (LOSS)/PROFIT BEFORE TAXATION

	2025	2024
	\$	\$
This is determined after charging :-		
Bank charges	13,522	102,856
Director's fees & remuneration	139,971	147,003
Depreciation	-	39,136
Exchange gain	(3,231)	(3,584)
Allowance for impairment (trade & other receivables)	7,223,926	-
Staff costs (excluding director's fees & remuneration)	145,730	144,191
Interest income	<u>(3,150)</u>	<u>(1,020)</u>

18. OPERATING LEASE COMMITMENTS

The Company has entered into lease mainly for office premises. This lease has remaining lease term of one year.

	2025	2024
	\$	\$
Year 1	<u>23,494</u>	-
	<u>23,494</u>	-

19. FINANCIAL RISK MANAGEMENT

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

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

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The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

a) Credit Risk

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

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. The company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received which could include default of contractual payments due for more than 180 days, default of interest due for more than 180 days or there is significant difficulty of the counter party.

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 180 days past due in making contractual payment.

The company determined that its financial assets are credit impaired when.

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-There is significant difficulty of the debtor
-A breach of contract, such as a default or past due event
-it is becoming probable that the debtor will enter bankruptcy or other financial reorganization

-There is a disappearance of an active market for that financial asset because of financial difficulty.

The company categorizes receivable for potential write-off when a debtor fails to make contractual payment more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The company's normal credit quality of the Company's financial assets are life time ECL, (Simplified), 12-months ECL, Lifetime ECL – not credit impaired, Lifetime ECL -credit impaired and written off.

b) Liquidity Risk

Liquidity risk refers to the risk that the company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is a managed by matching the payment and receipts cycles.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company finances its working capital requirement through a combination of funds generated from operations and bank borrowings. The management are satisfied that funds are available to finance the operations of the company. The company adopts prudent liquidity risk management by maintaining sufficient cash for the company's operations.

Financial Assets

	2025	2024
	\$	\$
Trade receivables	33,780,294	53,831,541
Other receivables	2,285,569	2,236,652
Amount owing from a shareholder	500,000	500,000
Cash and bank balances	2,822,662	1,604,610
	<u>39,388,525</u>	<u>58,172,803</u>

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

Financial liabilities

	2025	2024
Less than one year	\$	\$
Trade payables	-	1,796,572
Other payables	45,190	242,106
	<u>45,190</u>	<u>2,038,678</u>

c) Market Risk

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

i. Interest Rate Risk

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

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

As at the reporting date, the company has no material interest bearing assets or liabilities.

ii. Foreign Currency Risk

The company is exposed to foreign currency risk arising from future commercial transactions, recognised assets and liabilities, primarily with respect to Singapore Dollars. The company monitors the foreign currency exchange rate movements closely to ensure that their exposures are minimised by closely monitoring the timing of the inception and settlement of the transactions.

The company's currency exposure to Singapore Dollars is as follows:-

	2025	2024
	\$	\$
Other receivables	2,507	2,380
Cash and bank balances	37,134	26,330
Other payables	(1,543)	(223,872)
	<u>38,098</u>	<u>(195,162)</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

Based on the balances as at 31 March 2025, if the United States Dollars had strengthened/weakened by 10% against the Singapore Dollars with all other variables including tax rate being held constant, the company's profit for the financial year would have been \$3,810/- (2024: \$19,516/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

The company's currency exposure to Euro is as follows:-

	2025	2024
	\$	\$
Cash and bank balances	1,700	1,692
	<u>1,700</u>	<u>1,692</u>

Based on the balances as at 31 March 2025, if the United States Dollars had strengthened/weakened by 10% against the Euro with all other variables including tax rate being held constant, the company's profit for the financial year would have been \$170/- (2024: \$169/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

20. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

Net debt is calculated as total liabilities (including borrowings, if any and trade and other payables, and amount owing to related parties and amount owing to shareholders (if any) including provision for taxation and deferred tax liability (if any) as shown in the balance sheet) less cash and bank balances. Total capital is calculated as equity, as shown in the balance sheet, plus net debts.

	2025	2024
	\$	\$
Total liabilities	45,190	2,038,678
Less: cash and bank balances	<u>(2,822,662)</u>	<u>(1,604,610)</u>
Net debt	<u>(2,777,472)</u>	434,068
Equity attributable to the equity holders of the company	39,343,677	56,134,125
Capital and net debt	<u>36,566,205</u>	<u>56,568,193</u>
Gearing ratio	<u>-</u>	<u>0.01</u>

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

21. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is the amount at which instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transactions, other than in a forced or liquidation sale.

The management has determined that the carrying amounts of short-term deposits, current trade receivables, amounts due by related party, current trade and other payables, amount due to directors and related party and hire purchase creditors, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are reprised frequently within a year.

22. NET FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The financial assets and financial liabilities of the Company consist of its current assets, current liabilities and non-current receivable. The fair values of the Company's financial assets and financial liabilities at the balance sheet date approximate their book values as shown in the balance sheet.

The carrying amounts of financial instruments in each of the following categories are as follows:-

Financial Assets

	2025	2024
	\$	\$
Trade receivables	33,780,294	53,831,541
Other receivables	2,285,569	2,236,652
Amount owing from a shareholder	500,000	500,000
Cash and bank balances	2,822,662	1,604,610
	<u>39,388,525</u>	<u>58,172,803</u>

Financial liabilities

	2025	2024
	\$	\$
Less than one year		
Trade payables	-	1,796,572
Other payables	45,190	242,106
	<u>45,190</u>	<u>2,038,678</u>

23. HOLDING COMPANY

The company's holding company is KOTHARI PRODUCTS LIMITED, a company incorporated in India (Registration no. T08UF2112B), which owns 99.99% of the issued share capital of the company.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

24. COMPARATIVES

The comparative year figures of the Company have been regrouped/reclassified wherever necessary to confirm to this year's classification.

25. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 01 April 2025. The company does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

26. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the board of directors of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** on 23 May 2025.

The annexed detailed statement of comprehensive income does not form part of the audited statutory financial statements. It is not necessary to file the detailed statement of comprehensive income with the Accounting and Corporate Regulatory Authority.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED*(Incorporated in Singapore with its Registration Number 200809977K)***DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the financial year ended 31 March 2025*

	01-04-2024 To 31-03-2025 \$	01-04-2023 To 31-03-2024 \$
Sales and other revenue	74,231,429	84,961,158
Less: Cost of goods sold		
Purchases	73,491,176	84,132,668
Handling charges	110,238	-
	<u>73,601,414</u>	<u>84,132,668</u>
Gross profit	<u>630,015</u>	<u>828,490</u>
Other income		
Interest	3,150	1,020
Exchange gain	3,231	3,584
Government grant	1,544	-
Profit on sale of property	-	492,079
	<u>7,925</u>	<u>496,683</u>
Less: Operating expenses		
Allowance for impairment	7,223,926	-
Audit fee	24,373	27,176
Bank charges	13,522	9,021
Computer maintenance	10,181	-
Conveyance	392	79
CPF and SDL contribution	9,488	9,391
Depreciation	-	39,136
Director's fees & remuneration	139,971	147,003
Insurance	2,350	1,977
Interest	-	93,835
Legal fees	-	2,174
Maintenance	-	5,980
Office expenses	6,055	3,346
Office rent	22,380	5,079
Postage & courier	88	15
Printing and stationery	13	161
Professional fee	21,126	20,077
Property tax	-	506
Repairs and maintenance	-	1,535
Salary	136,242	134,800

The above statement does not form part of audited financial statements.

KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED
(Incorporated in Singapore with its Registration Number 200809977K)

**DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**

For the financial year ended 31 March 2025

	01-04-2024	01-04-2023
	To	To
	31-03-2025	31-03-2024
	\$	\$
Subscription	597	-
Telecommunication	3,685	4,145
Travelling expense	-	1,312
Utilities	1,119	1,539
	<u>7,615,508</u>	<u>508,287</u>
Net (loss)/profit before taxation	(6,977,568)	816,886
Income tax	-	-
Net (loss)/profit after taxation	<u>(6,977,568)</u>	<u>816,886</u>