

TRF SINGAPORE PTE. LTD.

(Incorporated in Singapore. Registration Number: 200718178D)

ANNUAL REPORT

For the financial year ended 31 March 2022

TRF SINGAPORE PTE. LTD.
(Incorporated in Singapore)

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TRF SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2022.

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; 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.

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr. Ranaveer Sinha
Mr. Alok Krishna
Ms. Chua Yi Xuan, Patria

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 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.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

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

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

TRF SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2022

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors



Alok Krishna
Director



Ranaveer Sinha
Director

12 August 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TRF SINGAPORE PTE. LTD.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying financial statements of TRF Singapore Pte. Ltd. ("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 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of comprehensive income for the financial year ended 31 March 2022;
- the balance sheet as at 31 March 2022;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement 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.

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 MEMBER OF TRF SINGAPORE PTE. LTD.

(continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TRF SINGAPORE PTE. LTD.
(continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 12 August 2022

TRF SINGAPORE PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2022*

	Note	2022 \$	2021 \$
Other income	4	22,563	73,379
Other losses	5	(1,067,326)	(4,566,274)
Expenses			
- Administrative	6	(43,199)	(284,671)
- Finance	7	(832)	(2,867)
		<hr/>	<hr/>
Loss before income tax		(1,088,794)	(4,780,433)
Income tax credit/(expense)	8	1,997	(5,355)
		<hr/>	<hr/>
Loss after income tax and total comprehensive loss		(1,086,797)	(4,785,788)

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

TRF SINGAPORE PTE. LTD.**BALANCE SHEET***As at 31 March 2022*

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	3,372,421	3,249,527
Other receivables	10	306,149	560,559
Other current assets	11	2,550	2,550
Investment held for sale	12	6,839,037	7,835,028
		10,520,157	11,647,664
Total assets		10,520,157	11,647,664
LIABILITIES			
Current liabilities			
Accruals for operating expenses	13	103,783	144,493
Provisions	14	445,000	445,000
Total liabilities		548,783	589,493
NET ASSETS		9,971,374	11,058,171
EQUITY			
Share capital	15	20,440,176	20,440,176
Accumulated losses		(10,468,802)	(9,382,005)
Total equity		9,971,374	11,058,171

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

TRF SINGAPORE PTE. LTD.**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2022*

	Note	Share capital \$	Accumulated losses \$	Total Equity \$
2022				
Beginning of financial year		20,440,176	(9,382,005)	11,058,171
Loss for the year and total comprehensive loss		-	(1,086,797)	(1,086,797)
End of financial year		20,440,176	(10,468,802)	9,971,374
2021				
Beginning of financial year		26,440,176	(4,596,217)	21,843,959
Reduction of share capital	15	(6,000,000)	-	(6,000,000)
Loss for the year and total comprehensive loss		-	(4,785,788)	(4,785,788)
End of financial year		20,440,176	(9,382,005)	11,058,171

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

TRF SINGAPORE PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2022*

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Loss after tax		(1,086,797)	(4,785,788)
Adjustments for:			
- Income tax (credit)/expense		(1,997)	5,355
- Fair value loss on investment held for sale		995,991	-
- Impairment loss on investment in a subsidiary		-	3,880,748
- Interest income		(22,563)	(73,379)
		<u>(115,366)</u>	<u>(973,064)</u>
Changes in working capital:			
- Other receivables		254,410	(43,363)
- Amount due to immediate holding company		-	(10,483)
- Accruals for operating expenses		(40,710)	137,669
- Provisions		-	45,000
Cash generated from/(used in) operations		<u>98,334</u>	<u>(844,241)</u>
Income tax received/(paid)		<u>1,997</u>	<u>(5,355)</u>
Net cash provided by/(used in) operating activities		<u>100,331</u>	<u>(849,596)</u>
Cash flows from investing activities			
Interest received		<u>22,563</u>	<u>83,904</u>
Net cash provided by investing activities		<u>22,563</u>	<u>83,904</u>
Cash flows from financing activities			
Reduction of share capital	15	<u>-</u>	<u>(6,000,000)</u>
Net cash used in financing activities		<u>-</u>	<u>(6,000,000)</u>
Net increase/(decrease) in cash and cash equivalents		<u>122,894</u>	<u>(6,765,692)</u>
Cash and cash equivalents at beginning of financial year	9	<u>3,249,527</u>	<u>10,015,219</u>
Cash and cash equivalents at end of financial year	9	<u>3,372,421</u>	<u>3,249,527</u>

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

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

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

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. The principal activity of the Company is that of an investment holding company.

2. Significant accounting policies**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention except as disclosed in the accounting policies below:

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

These financial statements are the separate financial statements of TRF Singapore Pte. Ltd. The company is exempted from preparation of consolidated financial statements as the company is a wholly-owned subsidiary of TRF Limited, an India-incorporated company which produces consolidated financial statements available for public use. The registered office of TRF Limited is 11, Station Road, Burma Mines, Jamshedpur 831007, India.

Interpretations and amendments to published standards effective in 2022

On 1 April 2021, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Interest income

Interest income is recognised using the effective interest rate method.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

2. Significant accounting policies (continued)**2.3 Borrowing costs**

Borrowing costs are recognised in profit or loss using the effective interest method.

2.4 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is measured at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.5 Impairment of non-financial assets

Investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

2. Significant accounting policies (continued)**2.5 Impairment of non-financial assets (continued)**

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.6 Financial assets

The Company classifies its financial assets into the amortised cost measurement category.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

(ii) At subsequent measurement

Debt instruments

Debt instruments of the Company mainly comprise of cash and bank deposits and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

2. Significant accounting policies (continued)**2.6 Financial assets (continued)***(ii) At subsequent measurement (continued)***Debt instruments (continued)**

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and cash equivalents and other receivables, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.7 Accruals for operating expenses

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

Accruals for operating expenses are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.8 Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Changes in the estimated timing or amount of the expenditure are recognised in profit or loss when the changes arise.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

2. Significant accounting policies (continued)**2.9 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.11 Currency translation

The financial statements are presented in Singapore Dollar, which is the functional currency of the Company.

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2.12 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Fair value of investment held for sale*Financial year ended 31 March 2021*

As disclosed in Note 12, the Company received a binding offer letter dated 15 February 2021 from a third party, for its investment in Dutch Lanka Trailer Manufacturing Ltd (DLT), with the conditions precedent to the completion of the sale being only administrative in nature.

Management had assessed the fair value of the investment in DLT based on the purchase consideration and terms stipulated in the binding offer letter.

Management is of the opinion that the fair value amounting to \$7,835,028 is reasonable and appropriate based on the information available as at 31 March 2021.

Financial year ended 31 March 2022

Due to the uncertainty and restrictions of the COVID-19 pandemic as well as the local Sri Lanka financial crisis, the negotiation with the third party to finalise the sale of DLT was delayed and still ongoing as of 31 March 2022.

Considering that the fair value of the investment in DLT was previously assessed based on the binding offer letter more than a year ago, management performed a formal assessment of the fair value less costs to sell ("FVLCTS") of this investment as of 31 March 2022. This assessment required management to exercise its judgement and employ key estimates including the terminal growth rate of 4.0%, discount rate of 16.0% and a range of revenue growth rates ranging for various scenarios.

As a result of the formal assessment performed, management recorded a fair value loss amounting to \$995,991 for the financial year (Note 12).

If the terminal growth rate of 4.0% applied in the FVLCTS calculation is increased or decreased by 1.0% from management's estimates, the FVLCTS of the investment held for sale would have increased by \$204,000 or decreased by \$104,000 respectively.

If the discount rate of 16.0% applied in the FVLCTS calculation is increased or decreased by 1.0% from management's estimates, the FVLCTS of the investment held for sale would have decreased by \$160,000 or increased by \$270,000 respectively.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***3. Critical accounting estimates, assumptions and judgements (continued)**

(a) Fair value of investment held for sale (continued)

Financial year ended 31 March 2022 (continued)

In determining the revenue growth rates applied in the FVLCTS calculation, management considered various possible scenarios as it factored in the ongoing uncertainty of the COVID-19 pandemic and the Sri Lanka financial crisis to the business operations of DLT. If the revenue growth rates applied in the FVLCTS calculation is increased from management's estimates, the FVLCTS of the investment held for sale would have increased. Conversely, if the revenue growth rates applied in the FVLCTS calculation is decreased from management's estimates, the FVLCTS of the investment held for sale would have decreased.

Management is of the opinion that the carrying amount amounting to \$6,839,037 is reasonable and appropriate based on the information available as at 31 March 2022.

(b) Provision for legal claims

During the financial year ended 31 March 2021, the Company received a Notice of Claim from a third party in relation to a previous sale of a business by the Company and a related company.

The Company has made an assessment of this claim and the directors are of the opinion that the provision of \$445,000 (Note 14) as at 31 March 2022 (2021: \$445,000) is sufficient and appropriate and that the remaining claims amounting to \$931,000 (2021: \$940,000) (Note 16) are appropriately accounted for as contingent liabilities as it is not probable that these claims will result in an outflow of economic benefits. The Company will continue to vigorously defend its position against this Notice of Claim.

4. Other income

	2022	2021
	\$	\$
Interest income		
- Bank deposits	1,544	46,539
- Amount due from a subsidiary	21,019	26,840
	22,563	73,379

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***5. Other losses**

	2022	2021
	\$	\$
Fair value loss on investment held for sale	(995,991)	-
Impairment loss on investment in a subsidiary	-	(3,880,748)
Net currency exchange losses	(71,335)	(685,526)
	<u>(1,067,326)</u>	<u>(4,566,274)</u>

6. Expenses by nature

	2022	2021
	\$	\$
Legal and professional fees	39,283	278,857
Others	3,916	5,814
	<u>43,199</u>	<u>284,671</u>

7. Finance expense

	2022	2021
	\$	\$
Bank charges	832	2,867

8. Income taxes

The tax on loss before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2022	2021
	\$	\$
Loss before tax	<u>(1,088,794)</u>	<u>(4,780,433)</u>
Tax calculated at tax rate of 17% (2021:17%)	(185,095)	(812,674)
Effects of:		
- Expenses not deductible	183,237	806,525
- Tax losses not recognised	1,858	6,149
- (Over)/Under provision in prior financial years	(1,997)	5,355
Tax (credit)/charge	<u>(1,997)</u>	<u>5,355</u>

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***9. Cash and cash equivalents**

	2022	2021
	\$	\$
Cash at bank	3,372,421	3,249,527

10. Other receivables

	2022	2021
	\$	\$
Amount due from a subsidiary	224,937	500,464
Amount due from a related company	74,267	52,993
Interest receivable on fixed deposits	869	1,026
Others	6,076	6,076
	306,149	560,559

The amount due from a subsidiary is unsecured, repayable on demand and bearing interest of 6.53% (2021: 6.53%). The amount due from a related company is unsecured, interest free and repayable on demand.

11. Other current assets

	2022	2021
	\$	\$
Prepayments	2,550	2,550

12. Investment in subsidiaries / Investment held for saleInvestment in subsidiaries

	2021
	\$
<i>Equity investments at cost</i>	
Beginning of financial year	11,715,776
Less: Impairment loss	(3,880,748)
Reclassified as held for sale	<u>(7,835,028)</u>
End of financial year	<u>-</u>

As at 31 March 2021, the Company had intentions to divest its 100% stake in subsidiary, Dutch Lanka Trailer Manufacturing Ltd (DLT) and had received a binding offer letter dated 15 February 2021 from a third party, with the conditions precedent to the completion of the sale being only administrative in nature. The carrying amount of \$7,835,028 for this investment in DLT had been reclassified as held for sale as at 31 March 2021.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***12. Investment in subsidiaries / Investment held for sale (continued)**Investment held for sale

	2022	2021
	\$	\$
Beginning of financial year	7,835,028	-
Reclassified from investment in subsidiaries	-	7,835,028
Fair value adjustments	(995,991)	-
End of financial year	6,839,037	7,835,028

Due to the uncertainty and restrictions of the COVID-19 pandemic as well as the local Sri Lanka financial crisis, the negotiation with the third party to finalise the sale of DLT was delayed and still ongoing as of 31 March 2022.

Considering that the fair value of the investment in DLT was previously assessed based on the binding offer letter more than a year ago, management performed a formal assessment and recorded a fair value loss of \$995,991 for the investment in DLT during the financial year. Key estimates used are disclosed in Note 3(a).

<u>Name</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Proportion of ownership of interest</u>	
			2022	2021
			%	%
Dutch Lanka Trailers Manufacturers Limited	Manufacture of trailers	Sri Lanka	100	100
<u>Held through Dutch Lanka Trailers Manufacturers Limited</u>				
Dutch Lanka Engineering (Pvt) Ltd	Manufacture of trailers	Sri Lanka	100	100

13. Accruals for operating expenses

	2022	2021
	\$	\$
Accruals for operating expenses	103,783	144,493

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022***14. Provisions**

	2022	2021
	\$	\$
<u>Legal claims</u>		
Beginning of financial year	445,000	400,000
Currency translation	-	45,000
End of financial year	445,000	445,000

The provision for legal claims is in respect of a Notice of Claim from a third party in relation to a previous sale of a business by the Company and a related company. The Company has made an assessment of this claim and the directors are of the opinion that the provision of \$445,000 as at 31 March 2022 is sufficient and appropriate and that the remaining claims amounting to \$931,000 (Note 16) are appropriately accounted for as contingent liabilities as it is not probable that these claims will result in an outflow of economic benefits. The Company will continue to vigorously defend its position against this Notice of Claim.

The Company has indemnified the related company for any claims pertaining to this previous sale of that business and as a result the full amount of the provision has been recorded in the Company's financial statements.

15. Share capital

	No. of ordinary <u>shares</u>	<u>Amount</u> \$
31 March 2022		
Beginning and end of financial year	19,086,929	20,440,176
31 March 2021		
Beginning of financial year	25,983,481	26,440,176
Reduction of share capital	(6,896,552)	(6,000,000)
End of financial year	19,086,929	20,440,176

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share without restriction and carry a right to dividends as and when declared by the Company.

On 13 October 2020, the Company reduced its share capital by way of cancelling 6,896,552 ordinary shares of the Company and returning cash amounting to \$6,000,000 to the immediate holding company, TRF Limited.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

16. Contingent liability

During the financial year ended 31 March 2021, the Company received a Notice of Claim from a third party in relation to a previous sale of a business. The Company has made an assessment of this claim and will continue to vigorously defend its position. If, after exhausting all available legal options, the outcome is found to be unfavourable to the Company, the directors are of the opinion that the maximum incremental expenditure to be recorded in profit or loss, in the period in which such determination is made, has been assessed to be \$931,000 as at 31 March 2022 (2021: \$940,000).

17. Financial risk management*Financial risk factors*

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by treasury personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by the management team.

*(a) Market risk**(i) Currency risk*

The Company has insignificant exposure to currency risk as it does not transact significant business in foreign currencies.

(ii) Price risk

The Company has insignificant exposure to equity price risk as it does not hold significant equity financial assets.

(iii) Interest rate risk

Interest-bearing financial assets comprise cash and bank deposits which are subjected to insignificant risk of changes in value as they are short-term in nature.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

17. Financial risk management (continued)*(b) Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company's major classes of financial assets are bank deposits and other receivables.

(i) Risk management

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are highly rated by independent rating agencies.

For other receivables from third parties, the Company adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient security where appropriate to mitigate credit risk.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated on the statement of financial position.

There is no significant concentration of credit risk to third parties, whether through exposure to individual customers, specific industry sectors and/or regions.

The directors are of the view that the amounts due from related parties are not associated with any material credit risk based on the financial position of these companies.

(ii) Impairment of financial assets

The maximum credit risk relating to each class of financial instruments is presented on the balance sheet. Cash and cash equivalents and other receivables are subject to immaterial credit loss in the current and previous financial year.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

17. Financial risk management (continued)*(c) Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

In the management of the liquidity risk, the Company maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations.

All financial liabilities are due within 12 months from balance sheet date.

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by adjusting the dividend payment to shareholder and issuing or redeeming additional equity and debt instruments when necessary.

The Board of Directors monitor its capital based on net equity.

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

(e) Fair value measurement

The carrying value of financial assets and financial liabilities are assumed to approximate their fair values.

(f) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	2022	2021
	\$	\$
Financial assets, at amortised cost	3,678,570	3,810,086
Financial liabilities, at amortised cost	103,783	144,493

18. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is TRF Limited, incorporated in India.

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2022*

19. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

(a) Inflow/(outflow)

	2022	2021
	\$	\$
Interest income from a subsidiary	21,019	26,840

(b) Key management personnel compensation

There was no key management remuneration as the key management having authority and responsibility for planning, directing and controlling the activities of the Company are employed and remunerated by the immediate holding corporation.

20. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

21. Authorisation of financial statements for issue

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of TRF Singapore Pte. Ltd. on 12 August 2022.