

TRF SINGAPORE PTE. LTD.

(Incorporated in Singapore. Registration Number: 200718178D)

ANNUAL REPORT

For the financial year ended 31 March 2020

TRF SINGAPORE PTE. LTD.
(Incorporated in Singapore)

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TRF SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2020.

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 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	(appointed on 30 May 2019)
Mr. Alok Krishna	(appointed on 21 November 2019)
Ms. Chua Yi Xuan, Patria	(appointed on 1 July 2020)

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.

TRF SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

For the financial year ended 31 March 2020

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.

Independent auditor

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

On behalf of the directors

Alok Krishna
Director

29 July 2020

Ranaveer Sinha
Director

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, Chapter 50 ("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 2020 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 2020;
- the balance sheet as at 31 March 2020;
- 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.

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.**

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
Public Accountants and Chartered Accountants
Singapore, 29 July 2020

TRF SINGAPORE PTE. LTD.**STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 31 March 2020

	Note	2020 \$	2019 \$
Other income	4	164,941	260,535
Other (losses)/gains	5	(13,063,987)	14,877,542
Expenses			
- Administrative	6	(578,747)	(1,719,514)
- Finance	7	(2,013)	(1,993)
		<hr/>	<hr/>
(Loss)/Profit before income tax		(13,479,806)	13,416,570
Income tax expense	8	(6,344)	(2,450)
		<hr/>	<hr/>
(Loss)/Profit after income tax and total comprehensive (loss)/income		(13,486,150)	13,414,120

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

TRF SINGAPORE PTE. LTD.**BALANCE SHEET***As at 31 March 2020*

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	10,015,219	3,636,250
Other receivables	10	527,721	466,983
Other current assets	11	2,550	2,550
		<u>10,545,490</u>	<u>4,105,783</u>
Non-current assets			
Investment in subsidiaries	12	11,715,776	31,291,421
Total assets		<u>22,261,266</u>	<u>35,397,204</u>
LIABILITIES			
Current liabilities			
Amount due to immediate holding corporation	13	10,483	6,475
Accruals for operating expenses	14	6,824	60,620
Provisions	15	400,000	-
Total liabilities		<u>417,307</u>	<u>67,095</u>
NET ASSETS		<u>21,843,959</u>	<u>35,330,109</u>
EQUITY			
Share capital	16	26,440,176	26,440,176
(Accumulated losses)/Retained earnings		(4,596,217)	8,889,933
Total equity		<u>21,843,959</u>	<u>35,330,109</u>

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 2020*

	Note	Share capital \$	(Accumulated losses)/ Retained earnings \$	Total Equity \$
2020				
Beginning of financial year		26,440,176	8,889,933	35,330,109
Loss for the year and total comprehensive loss		-	(13,486,150)	(13,486,150)
End of financial year		26,440,176	(4,596,217)	21,843,959
2019				
Beginning of financial year		50,288,324	(4,524,187)	45,764,137
Profit for the year and other comprehensive income		-	13,414,120	13,414,120
Reduction of share capital	16	(25,720,000)	-	(25,720,000)
Issuance of new shares	16	1,871,852	-	1,871,852
Total transactions with owners, recognised directly in equity		(23,848,148)	-	(23,848,148)
End of financial year		26,440,176	8,889,933	35,330,109

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 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
(Loss)/Profit after tax		(13,486,150)	13,414,120
Adjustments for:			
- Interest income		(163,695)	(260,535)
- Provision for legal claims		400,000	-
- Gain on disposal of investment held for sale		-	(12,962,593)
- Loss on disposal of investment in a subsidiary		314,360	-
- Waiver of amount due from related company		-	3,550,026
- Impairment loss/(writeback) of investment in a subsidiary		13,215,645	(4,890,000)
- Income tax expense		6,344	2,450
		<u>286,504</u>	<u>(1,146,532)</u>
Changes in working capital:			
- Other receivables		(32,798)	1,052,465
- Amount due to immediate holding company		4,008	(1,848,830)
- Accruals for operating expenses		(53,796)	(411,708)
		<u>203,918</u>	<u>(2,354,605)</u>
Cash generated from/(used in) operations			
		<u>(6,344)</u>	<u>-</u>
Net cash provided by/(used in) operating activities		<u>197,574</u>	<u>(2,354,605)</u>
Cash flows from investing activities			
Interest received		135,755	260,535
Proceeds from disposal of investment held for sale		-	29,537,593
Proceeds from disposal of investment in subsidiary		6,045,640	-
Net cash provided by investing activities		<u>6,181,395</u>	<u>29,798,128</u>
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	1,871,852
Reduction of share capital		-	(25,720,000)
Net cash used in financing activities		<u>-</u>	<u>(23,848,148)</u>
Net increase in cash and cash equivalents		6,378,969	3,595,375
Cash and cash equivalents at beginning of financial year	9	<u>3,636,250</u>	<u>40,875</u>
Cash and cash equivalents at end of financial year	9	<u>10,015,219</u>	<u>3,636,250</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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 2020

On 1 April 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.2 Interest income

Interest income is recognised using the effective interest rate method.

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. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.5 Impairment of non-financial assets (continued)

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.

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

An impairment loss for an asset is reversed if, and 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. 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 accumulated 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

2.6 Financial assets (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

2. Significant accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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) Impairment of investment in subsidiaries

As disclosed in Note 12, on 17 May 2019, the Company had entered into a share purchase agreement ("SPA") with Canyon Point Investment Holdings Pte. Ltd. ("Canyon") for transfer of its shareholding in its subsidiary Dutch Lanka Trailers Manufacturers Limited ("DLT") along with its step down subsidiary Dutch Lanka Engineering Pvt Ltd and joint venture Tata International DLT Private Limited. On 16 September 2019, Canyon expressed its inability to complete the transactions as per SPA citing occurrence of Material Adverse Changes and terminated the said SPA with immediate effect.

Management has considered that the termination of the SPA is an indication that its investment in DLT may be impaired and accordingly performed a formal assessment of the carrying amount of this investment via a value in use ("VIU") calculation which required management to exercise its judgement and employ key estimates including the terminal growth rate of 4.0%, discount rate of 15.5% and a range of revenue growth rates ranging for various scenarios.

As a result of the formal assessment performed, management recorded an impairment charge amounting to \$13,215,645 as at 31 March 2020 (Note 12).

If the terminal growth rate of 4.0% applied in the VIU calculation is increased or decreased by 1.0% from management's estimates, the carrying amount of investment in subsidiaries would have increased by \$1,700,000 or decreased by \$1,400,000 respectively.

If the discount rate of 15.5% applied in the VIU calculation is increased or decreased by 0.5% from management's estimates, the carrying amount of investment in subsidiaries would have decreased by \$1,000,000 or increased by \$1,100,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2020***3. Critical accounting estimates, assumptions and judgements (continued)****(a) Impairment of investment in subsidiaries (continued)**

In determining the revenue growth rates applied in the VIU calculation, management considered various possible scenarios as it factored in the uncertainty arising from the impact of COVID-19 to the business operations of DLT. If the revenue growth rates applied in the VIU calculation is increased from management's estimates, the carrying amount of investment in subsidiaries would have increased. Conversely, if the revenue growth rates applied in the VIU calculation is decreased from management's estimates, the carrying amount of investment in subsidiaries would have decreased.

Management is of the opinion that the impairment charge amounting to \$13,215,645 is sufficient and appropriate based on the information available as at 31 March 2020.

(b) Provision for legal claims

Subsequent to the balance sheet date, 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 \$400,000 (Note 15) as at 31 March 2020 is sufficient and appropriate and that the remaining claims amounting to \$800,000 (Note 17) 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

	2020	2019
	\$	\$
Interest income	163,695	260,535
Others	1,246	-
	164,941	260,535

TRF SINGAPORE PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 March 2020*

5. Other (losses)/gains

	2020	2019
	\$	\$
Gain on disposal of investment held for sale	-	12,962,593
Impairment loss/(writeback) of investment in a subsidiary	(13,215,645)	4,890,000
Loss on disposal of investment in a subsidiary	(314,360)	-
Waiver of amount due from related company	-	(3,550,026)
Net currency exchange gains	466,018	574,975
	<u>(13,063,987)</u>	<u>14,877,542</u>

6. Expenses by nature

	2020	2019
	\$	\$
Withholding tax expenses	-	302,667
Legal and professional fees	174,709	1,407,633
Provision for legal claims	400,000	-
Others	4,038	9,214
	<u>578,747</u>	<u>1,719,514</u>

7. Finance expense

	2020	2019
	\$	\$
Bank charges	<u>2,013</u>	<u>1,993</u>

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2020***8. Income taxes**

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

	2020 \$	2019 \$
(Loss)/Profit before tax	(13,479,806)	13,416,570
Tax calculated at tax rate of 17% (2019:17%)	(2,291,567)	2,280,817
Effects of:		
- Income not subject to tax	(79,223)	(3,034,941)
- Expenses not deductible	2,368,101	603,504
- Tax losses not recognised	2,689	153,070
- Underprovision in prior financial years	6,344	-
	6,344	2,450

9. Cash and cash equivalents

	2020 \$	2019 \$
Cash at bank	10,015,219	3,636,250

10. Other receivables and amount due from a related company

	2020 \$	2019 \$
Amount due from a subsidiary	489,138	449,077
Amount due from a related company	19,719	-
Interest receivable on fixed deposits	12,788	11,830
Others	6,076	6,076
	527,721	466,983

The amount due from a subsidiary is unsecured, repayable on demand and bearing interest of 6.53% (2019: 6.53%). The amount due from a related company is unsecured, interest free and repayable on demand.

TRF SINGAPORE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

11. Other current assets

	2020	2019
	\$	\$
Prepayments	2,550	2,550

12. Investment in subsidiaries

	2020	2019
	\$	\$
<i>Equity investments at cost</i>		
Beginning of financial year	31,291,421	31,291,421
Disposal	(6,360,000)	-
End of financial year	24,931,421	31,291,421
Less: Impairment loss	(13,215,645)	-
	11,715,776	31,291,421

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Proportion of ownership of interest</u>	
			2020	2019
			%	%
Dutch Lanka Trailers Manufacturers Limited	Sri Lanka	Manufacture of trailers	100	100
Hewitt Robins International Holdings Limited	England & Wales	Design and manufacture of screens, mobile crushing and related products	-	100
<i><u>Held through Dutch Lanka Trailers Manufacturers Limited</u></i>				
Dutch Lanka Engineering (Pvt) Ltd	Sri Lanka	Manufacture of trailers	100	100
Tata International DLT Private Limited	India	Manufacture of trailers	50	50
<i><u>Held through Hewitt Robins International Holdings Limited</u></i>				
Hewitt Robins International Limited	England & Wales	Design and manufacture of screens, mobile crushing and related products	-	100

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2020*

12. Investment in subsidiaries (continued)

On 17 May 2019, the Company had entered into a share purchase agreement ("SPA") with Canyon Point Investment Holdings Pte. Ltd. ("Canyon") for transfer of its shareholding in its subsidiary Dutch Lanka Trailers Manufacturers Limited ("DLT") along with its step down subsidiary Dutch Lanka Engineering Pvt Ltd and joint venture Tata International DLT Private Limited. On 16 September 2019, Canyon expressed its inability to complete the transactions as per SPA citing occurrence of Material Adverse Changes and terminated the said SPA with immediate effect. Accordingly, management has recorded an accumulated impairment of \$13,215,645 against the Company's cost of investment in DLT. Key estimates used are disclosed in Note 3(a).

On 4 September 2019, the Company divested its shareholdings in its subsidiary Hewitt Robins International Holdings Limited ("HRIHL") and its step down subsidiary Hewitt Robins International Limited ("HRIL") for a consideration of \$6,045,640 to the management of HRIRL and HRIL.

13. Amount due to immediate holding corporation

The amount due to immediate holding corporation is unsecured, interest free and is not expected to be repaid within the next twelve months.

14. Accruals for operating expenses

	2020	2019
	\$	\$
Accruals for operating expenses	406,824	60,620

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2020***15. Provisions**

	2020	2019
	\$	\$
Legal claims	400,000	-

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 \$400,000 as at 31 March 2020 is sufficient and appropriate and that the remaining claims amounting to \$800,000 (Note 17) 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.

16. Share capital

	2020	2019
	\$	\$
<i>Ordinary shares:</i>		
Beginning of financial year	26,440,176	50,288,324
Shares issued	-	1,871,852
Reduction of share capital	-	(25,720,000)
End of financial year	26,440,176	26,440,176

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 24 January 2019, the Company issued 2,879,772 ordinary shares for a total consideration of \$1,871,852 that was satisfied by way of capitalising the interest on loan and corporate guarantee fees that was payable to the immediate holding company, TRF Limited. The newly issued shares ranked *pari passu* in all respects with the previously issued shares.

On 31 August 2018 and 18 March 2019, the Company reduced its share capital by way of cancelling 23,000,000 and 4,184,614 ordinary shares of the Company, and returning cash amounting to \$23,000,000 and \$2,720,000 respectively to the immediate holding company, TRF Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

17. Contingent liability

Subsequent to the balance sheet date, 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 \$800,000 as at 31 March 2020.

18. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

18. 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 and mitigate the effects of fluctuations in cash flows. Short-term funding is obtained from its related companies.

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 aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	2020	2019
	\$	\$
Financial assets, at amortised cost	10,542,940	4,103,233
Financial liabilities, at amortised cost	17,307	67,095

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 March 2020*

19. Immediate and ultimate holding corporation

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

20. 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)

	2020	2019
	\$	\$
Shares repurchased	-	(25,720,000)
Waiver of amount due from related company	-	(3,550,026)
Interest income from a subsidiary	163,695	260,535

(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.

21. Significant event during financial year

Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of measures to curb the COVID-19 outbreak have been and continues to be implemented in countries where the Company operates. The Company has assessed the impact of COVID-19 on the impairment of its investment in subsidiaries and recorded a provision for impairment amounting to \$13,215,645 as at 31 March 2020 (Note 3(a)). As at the date of these financial statements, the Company is not aware of any other material impact on the financial statements arising from the COVID-19 outbreak.

The Company is closely monitoring the development of the COVID-19 outbreak and its related impact on the Company's financial position subsequent to the financial year end.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2020

22. New or revised accounting standards and interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published that are not mandatory for the Company's accounting periods for 31 March 2020 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

23. 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 29 July 2020.