USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

Financial Statements
For the Year Ended March 31, 2023
and Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Usha Siam Steel Industries Public Company Limited

Opinion

I have audited the financial statements in which the equity method is applied of Usha Siam Steel Industries Public Company Limited ("the Company"), which comprise the statement of financial position as at March 31, 2023 in which the equity method is applied, and the statements of comprehensive income in which the equity method is applied, changes in shareholders' equity in which the equity method is applied, and cash flows in which the equity method is applied for the year then ended and notes to the financial statements, in which the equity method is applied, including a summary of significant accounting policies. In addition, I have also audited the separate financial statements of Usha Siam Steel Industries Public Company Limited, which comprise the separate statement of financial position as at March 31, 2023, and the separate statements of comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In my opinion, the accompanying financial statements in which the equity method is applied and the separate financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements in Which the Equity Method is Applied and the Separate Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and the separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements in which the equity method is applied and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and the separate 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.

Auditor's Responsibilities for the Audit of the Financial Statements in Which the Equity Method is Applied and the Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and the separate 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 in which the equity method is applied and the separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements in which the equity method is applied and the separate 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements in which the equity method is applied and the separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 in which the equity method is applied and the separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audits.

(Ms. Wimolsri Jongudomsombut)
Certified Public Accountant, Registration No. 3899
Baker Tilly Audit and Advisory Services (Thailand) Ltd.
Bangkok
April 21, 2023

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

A S S E T S

		In Baht			
		Financial Statements In Which The Equity Method Is Applied		Separate Financial Statements	
	Notes	2023	2022	2023	2022
CURRENT ASSETS					
Cash and cash equivalents		16,799,809	14,244,535	16,799,809	14,244,535
Trade receivables - net	5				
- Related parties	4	322,065,779	223,982,122	322,065,779	223,982,122
- Other companies		103,968,383	171,222,809	103,968,383	171,222,809
Inventories - net	6	385,004,975	391,296,250	385,004,975	391,296,250
Other current assets					
- Prepaid expenses		2,834,420	2,067,654	2,834,420	2,067,654
- Value added tax		41,671,186	36,159,266	41,671,186	36,159,266
- Advance to purchase raw materials		7,495,284	1,085,207	7,495,284	1,085,207
- Others		1,244,883	1,468,318	1,244,883	1,468,318
Total Current Assets		881,084,719	841,526,161	881,084,719	841,526,161
NON-CURRENT ASSETS					
Restricted deposits at financial institutions	9, 11, 13, 25, 26	37,139,335	36,888,709	37,139,335	36,888,709
Investments in jointly controlled entity	1	84,352,901	80,731,593	124,999,900	124,999,900
Advance to purchase machinery	4	1,383,225	4,013,407	1,383,225	4,013,407
Property, plant and equipment - net	7, 8, 11, 13, 25	415,387,609	422,311,024	415,387,609	422,311,024
Right-of-use assets - net	7, 8, 14	4,505,542	773,288	4,505,542	773,288
Deferred tax assets	10	8,707,861	8,027,867	8,707,861	8,027,867
Other non-current assets	22	2,613,122	1,528,465	2,613,122	1,528,465
Total Non-Current Assets		554,089,595	554,274,353	594,736,594	598,542,660
TOTAL ASSETS		1,435,174,314	1,395,800,514	1,475,821,313	1,440,068,821

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (Continued)

AS AT MARCH 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

		In Baht			
		Financial Statements In Which The Equity Method Is Applied		Separate Financial Statements	
	Notes	2023	2022	2023	2022
CURRENT LIABILITIES					
Bank overdrafts and short-term borrowings from financial institutions	7, 9, 11	366,863,557	472,078,189	366,863,557	472,078,189
Trade payables					
- Related parties	4	4,363,624	15,713,644	4,363,624	15,713,644
- Other companies		220,936,991	184,843,669	220,936,991	184,843,669
Current portion of long-term borrowings from financial institution	7, 9, 13	3,077,760	945,560	3,077,760	945,560
Current portion of lease liabilities	8, 14	1,061,471	324,527	1,061,471	324,527
Current portion of borrowings from parent	4	12,000,000	-	12,000,000	-
Accrued expenses and other current liabilities	4, 12	60,511,405	48,117,362	60,511,405	48,117,362
Total Current Liabilities		668,814,808	722,022,951	668,814,808	722,022,951
NON-CURRENT LIABILITIES					
Lease liabilities - net	8, 14	2,482,266	27,165	2,482,266	27,165
Long-term borrowings from financial institution - net	7, 9, 13	28,297,080	27,124,440	28,297,080	27,124,440
Long-term borrowings from parent	4	30,000,000	50,000,000	30,000,000	50,000,000
Provision liability for post-employee benefits	15	41,557,148	38,313,327	41,557,148	38,313,327
Total Non-Current Liabilities		102,336,494	115,464,932	102,336,494	115,464,932
Total Liabilities		771,151,302	837,487,883	771,151,302	837,487,883
SHAREHOLDERS' EQUITY					
Share capital					
- Authorized share capital, ordinary share 14,300,000 shares at Baht 10 par value		143,000,000	143,000,000	143,000,000	143,000,000
- Issued and paid share capital, ordinary share 14,300,000 shares at Baht 10 per share		143,000,000	143,000,000	143,000,000	143,000,000
Share premium on ordinary shares		118,052,025	118,052,025	118,052,025	118,052,025
Retained earnings					
- Appropriated for legal reserve	17	14,300,000	14,300,000	14,300,000	14,300,000
- Unappropriated		388,670,987	282,960,606	429,317,986	327,228,913
Total Shareholders' Equity		664,023,012	558,312,631	704,670,011	602,580,938
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,435,174,314	1,395,800,514	1,475,821,313	1,440,068,821

The accompanying notes to financial statements are an integral part of these financial statements.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2023

		In Baht			
		Financial Statements In Which The Equity Method Is Applied		Separate Financial Statements	
	Notes	2023	2022	2023	2022
REVENUES					
Net sales	4, 18	1,785,505,428	1,599,005,783	1,785,505,428	1,599,005,783
Sales of defects and scraps from production		35,699,184	32,861,899	35,699,184	32,861,899
Gain on exchange rate - net		-	2,919,058	-	2,919,058
Other income	4	1,104,497	1,809,924	1,104,497	1,809,924
Total Revenues		1,822,309,109	1,636,596,664	1,822,309,109	1,636,596,664
EXPENSES					
Costs of sales	4	1,535,217,800	1,442,952,821	1,535,217,800	1,442,952,821
Distribution costs		83,849,449	85,844,090	83,849,449	85,844,090
Administrative expenses	4	35,760,081	26,871,934	35,760,081	26,871,934
Loss on exchange rate - net		4,232,883	-	4,232,883	-
Finance costs	4	33,101,266	28,269,285	33,101,266	28,269,285
Total Expenses	19	1,692,161,479	1,583,938,130	1,692,161,479	1,583,938,130
Profit before Share of Profit from Jointly Controlled Entity and Tax		130,147,630	52,658,534	130,147,630	52,658,534
Share of profit from jointly controlled entity	1	3,621,308	1,443,182	-	-
Profit before Tax		133,768,938	54,101,716	130,147,630	52,658,534
Tax expense	10	(25,913,557)	(10,763,300)	(25,913,557)	(10,763,300)
PROFIT FOR THE YEAR		107,855,381	43,338,416	104,234,073	41,895,234
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		107,855,381	43,338,416	104,234,073	41,895,234
Basic Earnings per Share		7.54	3.03	7.29	2.93

The accompanying notes to financial statements are an integral part of these financial statements.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

		Financial Statements In Which The Equity Method Is Applied (In Baht)				
		Issued	Share	Retained earnings		Total
		and paid-up	premium on	Appropriated for		shareholders'
	Note	share capital	ordinary shares	legal reserve	Unappropriated	equity
Balance as at April 1, 2021		143,000,000	118,052,025	14,300,000	239,622,190	514,974,215
Total comprehensive income for the year		-	-	-	43,338,416	43,338,416
Balance as at March 31, 2022		143,000,000	118,052,025	14,300,000	282,960,606	558,312,631
Total comprehensive income for the year		-	-	-	107,855,381	107,855,381
Dividend payment	16	-	-	-	(2,145,000)	(2,145,000)
Balance as at March 31, 2023		143,000,000	118,052,025	14,300,000	388,670,987	664,023,012

The accompanying notes to financial statements are an integral part of these financial statements.

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

		Separate Financial Statements (In Baht)				
		Issued	Share	Retained earnings		Total
		and paid-up	premium on	Appropriated for		shareholders'
	Note	share capital	ordinary shares	legal reserve	Unappropriated	equity
Balance as at April 1, 2021		143,000,000	118,052,025	14,300,000	285,333,679	560,685,704
Total comprehensive income for the year		-	-	-	41,895,234	41,895,234
Balance as at March 31, 2022		143,000,000	118,052,025	14,300,000	327,228,913	602,580,938
Total comprehensive income for the year		-	-	-	104,234,073	104,234,073
Dividend payment	16	-	-	-	(2,145,000)	(2,145,000)
Balance as at March 31, 2023		143,000,000	118,052,025	14,300,000	429,317,986	704,670,011

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2023

	In Baht			
	Financial Statements In Which The Equity Method Is Applied		Separate Financial Statements	
	2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit for the year	107,855,381	43,338,416	104,234,073	41,895,234
Adjustments to reconcile profit for the year to net cash provided by operating activities:				
Share of profit from jointly controlled entity	(3,621,308)	(1,443,182)	-	-
Depreciation and amortization	44,119,033	37,893,934	44,119,033	37,893,934
(Reversal) allowance for expected credit losses	861	(9,127)	861	(9,127)
Allowance for decline in value of inventories	-	1,668,665	-	1,668,665
Unrealized loss on exchange rate	4,714,961	2,236,951	4,714,961	2,236,951
Provision liability for post-employee benefits	9,553,981	6,179,964	9,553,981	6,179,964
Write-off fixed assets	253,879	91,909	253,879	91,909
Write-off fixed intangible assets	-	117,787	-	117,787
Interest income	(702,962)	(668,857)	(702,962)	(668,857)
Finance costs	33,101,266	28,269,285	33,101,266	28,269,285
Tax expense	25,913,557	10,763,300	25,913,557	10,763,300
Decrease (Increase) in Operating Assets:				
Trade receivables	(35,520,763)	(8,644,762)	(35,520,763)	(8,644,762)
Inventories	6,291,275	(46,288,490)	6,291,275	(46,288,490)
Other current assets	(12,468,502)	(19,887,086)	(12,468,502)	(19,887,086)
Other non-current assets	(166,477)	-	(166,477)	-
Increase (Decrease) in Operating Liabilities:				
Trade payables	24,252,006	6,628,256	24,252,006	6,628,256
Accrued expenses and other current liabilities	260,236	(10,960,090)	260,236	(10,960,090)
Post-employee benefits paid	(6,310,160)	(11,242,269)	(6,310,160)	(11,242,269)
Tax paid	(16,463,941)	(4,770,499)	(16,463,941)	(4,770,499)
Net Cash Provided by Operating Activities	181,062,323	33,274,105	181,062,323	33,274,105

USHA SIAM STEEL INDUSTRIES PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (Continued)

FOR THE YEAR ENDED MARCH 31, 2023

	In Baht			
	Financial Statements In Which The Equity Method Is Applied		Separate Financial Statements	
	2023	2022	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES:				
Increase in restricted deposits at financial institutions	(250,626)	(9,570,162)	(250,626)	(9,570,162)
(Increase) decrease in advance for purchase machinery	2,630,182	(3,986,329)	2,630,182	(3,986,329)
Purchases of fixed assets	(34,766,311)	(4,473,569)	(34,766,311)	(4,473,569)
Purchases of intangible assets	(1,003,660)	(48,000)	(1,003,660)	(48,000)
Interest received	703,186	874,498	703,186	874,498
Net Cash Used in Investing Activities	(32,687,229)	(17,203,562)	(32,687,229)	(17,203,562)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Decrease in bank overdrafts and short-term borrowings from financial institutions	(104,744,391)	(10,241,985)	(104,744,391)	(10,241,985)
Repayment of lease liabilities	(1,694,421)	(938,998)	(1,694,421)	(938,998)
Cash receipt from long-term borrowings from financial institution	6,090,000	28,070,000	6,090,000	28,070,000
Repayment of long-term borrowings from financial institution	(2,785,160)	-	(2,785,160)	-
Repayment of Long-term borrowings from related party	(8,000,000)	-	(8,000,000)	-
Dividend payments	(2,145,000)	-	(2,145,000)	-
Finance costs paid	(32,540,848)	(30,946,920)	(32,540,848)	(30,946,920)
Net Cash Used in Financing Activities	(145,819,820)	(14,057,903)	(145,819,820)	(14,057,903)
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,555,274	2,012,640	2,555,274	2,012,640
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,244,535	12,231,895	14,244,535	12,231,895
CASH AND CASH EQUIVALENTS AT END OF YEAR	16,799,809	14,244,535	16,799,809	14,244,535
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
1) Cash and cash equivalents consisted of:				
- Cash on hand	414,418	222,788	414,418	222,788
- Cheques on hand	6,632,574	1,046,864	6,632,574	1,046,864
- Cash in banks - current accounts	9,470,260	12,697,765	9,470,260	12,697,765
- Cash in banks - savings accounts	282,557	277,118	282,557	277,118
Total	16,799,809	14,244,535	16,799,809	14,244,535
2) Fixed assets acquired by means of:				
- Cash payments	34,766,311	4,473,569	34,766,311	4,473,569
- Transfer from right-of-use assets	444,167	1,022,224	444,167	1,022,224
- Payables for purchase fixed assets	1,443,496	-	1,443,496	-
Total	36,653,974	5,495,793	36,653,974	5,495,793

The accompanying notes to financial statements are an integral part of these financial statements.

1. GENERAL INFORMATION

Usha Siam Steel Industries Public Company Limited ("the Company"), a subsidiary of Usha Martin Limited of India (which hold the Company's shares at 92.31%), was registered as a limited company in Thailand on May 22, 1980 and transformed to be public limited company on February 24, 1997. The Company's principal business is engaged in manufacturing and sales of steel wire and wire rope products in domestic and international markets.

The Company's office addresses are as follows:

- City Office is located at Unit 1207, 12th Floor, Q. House Asoke Building, 66 Sukhumvit 21 Road, Klongtoey Nuea, Wattana, Bangkok 10110, Thailand.
- Factories are located at 101/16 and 101/46 Navanakorn Industrial Estate, Moo 20, Phaholyothin Road, Klongnueng, Klongluang, Pathumthani 12120, Thailand.

Joint Arrangements

TFRS 11 "Joint Arrangements" requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deems to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognize its shares of assets, liabilities, revenue and expenses of the joint operation in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied, and either at cost or at the equity method in the separate financial statements.

The management of the Company determined that investment in jointly controlled entity is joint venture (between the Company and other venturers) in accordance with this standard.

The jointly controlled entity, i.e. Tesac Usha Wirerope Company Limited ("TUW"), was registered as a limited company in Thailand on January 29, 2013 under the joint venture between (1) the Company, (2) Tesac Wirerope Co., Ltd. ("TWR") of Japan, and (3) Usha Martin Singapore Pte. Ltd. ("UMSIN") of Singapore whereby each party holds TUW's shares at 49.99996%, 50.00000%, and 0.00004%, respectively. In addition, all venturers have entered into the joint venture agreement dated November 27, 2012 in order to gather understanding and determine the details as well as conditions for joint venture in TUW. Under the term of such agreement, TUW's Board of Directors comprises 5 directors whereby 3 directors are appointed by the Company and UMSIN and 2 directors are appointed by TWR. Each director has a voting right in the Board of Directors' meeting of TUW. Subsequently on April 1, 2018, TWR and Kobelco Wire Company Limited ("KWC") have approved the merger. Under the merger, all of TWR's assets, including its shares in TUW, will be transferred to KWC.

TUW is engaged in manufacturing and sales of steel wire and steel wire rope products, which are generally used for elevator and other pulling or lifting equipment, for domestic and international markets.

TUW's office address (factory) is located at 101/55 Navanakorn Industrial Estate, Moo 20, Klongnueng, Klongluang, Pathumthani 12120, Thailand.

Investment in TUW, presented in the financial statement in which the equity method and the separate statements of financial position as at March 31, 2023 and 2022, had detail as follows:

	In Thousand Baht					
Percentage of	Authorized and	Cost Method		Equity Method		Dividend
Shareholding	Paid-up Share Capital	2023	2022	2023	2022	Income
49.99996	250,000	125,000	125,000	84,353	80,732	-

Key financial information of the TUW as at March 31, 2023 and 2022 and for each of the years then ended is as follows:

	In Thousand Baht	
	2023	2022
Statements of Financial Position		
Current assets	104,673	82,655
Non-current assets	190,490	199,842
Current liabilities	117,982	108,495
Non-current liabilities	8,475	12,539
Shareholders' equity – net	168,706	161,463
Portion of equity invested by the Company (49.99996%)	84,353	80,732
Cash and cash equivalents	1,456	4,429
Current financial liabilities		
(excluding trade / other payables and provisions)	58,812	46,855
Statements of Comprehensive Income		
Total revenues	245,933	195,536
Depreciation and amortization	10,725	10,783
Interest expense	3,366	2,833
Profit for the year	7,243	2,886
Total comprehensive income for the year	7,243	2,886

2. BASIS OF FINANCIAL STATEMENT PREPARATION

The statutory financial statements are prepared in Thai Baht and in the Thai language in conformity with Thai Financial Reporting Standards. Accordingly, the accompanying financial statements are intended solely to present the financial position, financial performance and cash flows in accordance with Thai Financial Reporting Standards.

For the convenience of the readers, an English translation of the financial statements has been prepared from the Thai language statutory financial statements, which are issued solely for domestic financial reporting purposes.

Accounting standards that became effective in the current accounting period

The Company disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2022, in the Note 3.

The Company's management has assessed the effects of the revised accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after January 1, 2022, and considers that they do not have a significant impact to the financial statements for the year ended March 31, 2023.

3. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash on hand is kept for general use within the Company. Cash equivalents are savings deposits and current accounts, highly liquid investment that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

Accounts Receivable and Allowance for Expected Credit Losses

Accounts receivable are stated at amortization cost net of allowance for expected credit losses ("ECL").

The Company applies a simplified approach in calculating ECL for trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Inventory Valuation

The Company values its inventories at the lower of cost (weighted average method) and net realizable value, whichever is lower.

Cost comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses

The Company provides an allowance for all deteriorated, damaged, obsolete and slow-moving inventories.

Investment in Jointly Controlled Entity (Joint Venture)

Investment in jointly controlled entity shown in the separate financial statements is stated at cost less allowance for impairment (if any). Investment in jointly controlled entity shown in the financial statements in which the equity method is applied using the equity method.

Under the equity method, investment in jointly controlled entity is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's (the Company's) share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from the investee reduce the carrying amount of investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in investee arising from changes in the investee's other comprehensive income. Such changes include those arising from revaluation of property, plant and equipment and from foreign exchange translation differences. The investor's share of those changes is recognized in investor's other comprehensive income.

Property, Plant and Equipment and Depreciation

Land is stated at cost net of allowance for impairment (if any).

Plant and equipment are stated at cost net of accumulated depreciation and allowance for impairment (if any). When assets are retired or disposed, their cost, accumulated depreciation, and allowance for impairment (if any) are eliminated from the accounts and any gain or loss resulting from their retirement or disposal is included in the statement of comprehensive income. Costs of asset dismantlement, removal, and restoration (if any) are included as part of the asset cost and subject to depreciation.

Depreciation is charged to the statement of comprehensive income on a straight-line method over the useful lives of each significant part or component of an item of assets. No depreciation is charged for land, construction in progress, and machinery under installation. Depreciation methods, residual values, and useful lives are reviewed, at least, at each financial year-end and adjusted if appropriate. The useful lives of assets are as follows:

	Years
Building and structures	25
Plant machinery and equipment	13.5 - 50
Furniture, fixtures and office equipment	3, 5, 10
Vehicles	7, 10

Intangible assets, included as part of other non-current assets, are computer software used in production and administration systems which is stated at cost net of accumulated amortization and allowance for impairment (if any). These assets are amortized, as part of expenses, by straight-line method over the license periods between 2 and 10 years. Amortization methods, residual values, and useful lives are reviewed, at least, at each financial year-end and adjusted if appropriate.

Right-of-Use Assets and Depreciation

Right-of-use assets are recognized at the commencement date of the leases. Right-of-use assets are stated at cost, less accumulated depreciation and allowance for impairment (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The costs of right-of-use assets also include an estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the remaining lease term and the estimated useful lives as following:

	Years
Building	3
Plant machinery and equipment	5
Furniture, fixtures and office equipment	10
Vehicles	7

Impairment of Assets

The Company reviews the impairment of assets whenever events or changes in circumstances indicate that the recoverable amount (the higher of asset's selling price or value in use) of assets is below the carrying amount. The review is made for individual assets or for the cash-generating unit.

If the carrying value of an asset exceeds its recoverable amount, the Company recognizes the impairment losses by reducing the carrying value of the asset to its recoverable amount and recording the devaluation in statements of comprehensive income or reducing revaluation increment in assets in case that those assets were previously revalued. The reversal of impairment losses recognized in prior years is recorded as part of other income or as a revaluation increment in assets, when there is an indication that the impairment losses recognized for the assets no longer exist or are decreased. Such a reversal should not exceed the carrying amount that would have been determined (net of the associated depreciation or amortization).

Borrowing Costs

Interest and financial charges on liabilities acquired for construction of building and installation of machinery and equipment is capitalized as part of the cost of the related asset. Capitalization of such finance costs is ceased when construction or installation are completed and ready for their intended use.

Provision

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. A provision is reviewed at the statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions Liability for Post-Employment Benefits

The Company's post-employment benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods by the projected unit credit method determined by a professionally qualified independent actuary. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs and gains or losses on the curtailment are recognized immediately in profit or loss. The Company recognizes gains or losses on the settlement of pension benefits when the curtailment or settlement occurs. Actuarial gains or losses are recognized immediately to other comprehensive income. The defined benefit obligations are measured at the present value of estimated future cash flows using a discount rate that is similar to the government bonds.

Use of Judgements and Estimates

In order to prepare financial statements in conformity with Thai Financial Reporting Standards in Thailand, the management needs to make estimates and set assumptions that affect income, expenditure, assets and liabilities in order to disclose information on the valuation of assets, liabilities and contingent liabilities. Actual outcomes may, therefore, differ from the estimates used.

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements consists of the following;

- Classification of the joint arrangements
- Leases

Assumptions and estimation uncertainties

Information about significant areas of estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the financial statements consists of the following:

- Allowance for expected credit losses of trade receivables
- Net realizable value of inventories
- Useful lives and residual values of plant and equipment, right-of-use assets and intangible assets
- Assumptions used in calculation of liability for post-employment benefits
- Current and deferred taxation, utilization of tax losses
- Provision and contingencies
- Determination of impairment of assets
- Fair values and fair value measurements of financial assets, financial liabilities and other financial instruments
- Assessment and judgement used on the possibility of impact from litigation and claim.

Revenue Recognition

To determine whether to recognize revenue, the Company follows a 5-step process:

1) Identifying the contract with a customer
2) Identifying the performance obligations
3) Determining the transaction price
4) Allocating the transaction price to the performance obligations
5) Recognizing revenue when/as performance obligations are satisfied.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognizes revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, relevant tax and after deduction of any trade discounts and volume rebates.

Sale of goods and services

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognized over time as the services are provided. The stage of completion is assessed based on actual cost to budget cost (input method). The related costs are recognized in profit or loss when they are incurred.

For bundled packages, the Company accounts for individual products and services separately if they are distinct or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices which are determined based on the price list at which the Company sells the products and services in separate transactions.

Interest income

Interest income is recognized on a time proportion basis that reflects the effective yield on the asset.

Other income

Other income is recognized as income on an accrual basis.

Expense Recognition

Other expenses are recognized on an accrual basis.

Repair and Maintenance

Expenditures on repair and maintenance are charged to expense at the expenditures are incurred. Expenditures of a capital nature are added to the related plant and equipment.

Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company (as a lessee) assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (April 1, 2020) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

Leases are recognized as assets (right-of-use assets) and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

The Company applies the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense in profit or loss on a straight-line basis over the lease term.

Lease Liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities are increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying assets.

Financial Instruments

The Company initially measures financial assets at their fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

- ***Classification and measurement of financial assets***

Financial assets are classified, at initial recognition, as financial assets subsequently measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortized cost

The Company measures financial assets at amortized cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment assessment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis. Gains and losses recognized in other comprehensive income on these financial assets are never subsequently recycled to profit or loss.

Dividends on these investments are recognized as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognized in other comprehensive income.

Equity investments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

These financial assets include derivatives, security investments held for trading, investments in unit trust equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on market securities are recognized as other income in profit or loss.

- ***Classification and measurement of financial liabilities***

Except for derivative liabilities, at initial recognition, the Company's financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

- ***Derecognition of financial instruments***

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

- ***Impairment of financial assets***

The Company recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at FVTPL. ECL is 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.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL is 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 required for credit losses expected over the remaining life of the financial instruments (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECL. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECL at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

- ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Fair Value Measurement

The Company uses the market approach to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or a quoted market price is not available.

The different levels have been defined as follows:
Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
Level 3 - Use of unobservable inputs for such assets or liabilities, such as uses prices and other relevant information generated by market transactions involving identical or comparable (similar) assets, liabilities, or a group of assets and liabilities, or estimates of future cash flows

Foreign Currency Transactions

Foreign currency transactions throughout the year are recorded in the accounts at the rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the years are translated into Baht at the prevailing rates at that date. Gains or losses from translations are credited or charged to the statement of comprehensive income.

Income Tax

The income tax charge is based on profit for the year and considers deferred taxation. Deferred taxes reflect the net tax effects of temporary differences between the tax basis of an asset or liability and its carrying amount in the statement of financial position. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expect, at the statement of financial position date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of these deferred tax assets to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Basic Earnings per Share

Basic earnings per share is determined by dividing profit for the year by weighted average number of common shares outstanding during the year (14,300,000 shares in 2023 and 2022).

4. TRANSACTIONS WITH RELATED PARTIES

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. These parties are related through common shareholdings and/or directorships.

In October 1999, the Company entered into an agreement to obtain a long-term Baht loan of Baht 50 million from the parent which bears interest at rate referenced to the minimum lending rate of a local bank. This loan is uncollateralized and will be repayable upon the lenders' demand. However, the Company's managements intend to repay such borrowing totalling Baht 12 million within next year, hence, the Company presented such borrowing amount under "Current portion of borrowings from parent".

Types of relationship of related parties are as follows:

Name of Companies	Type of Relationship
Usha Martin Limited	Parent
Usha Martin Singapore Pte Ltd.	Shareholder and co-shareholder
Kobelco Wire Company Limited	Shareholder
Tesac Usha Wirerope Co., Ltd.	Jointly controlled entity (49.99996%) and co-shareholder
Usha Martin Americas, Inc.	Co-shareholder
Usha Martin UK Limited	Co-shareholder
Usha Martin Australia Pty Ltd.	Co-shareholder
Usha Martin Vietnam Co., Ltd.	Co-shareholder
Brunton Wire Ropes FZCO	Co-shareholder
PT. Usha Martin Indonesia	Co-shareholder
Brunton Shaw UK Limited	Co-shareholder
Usha Martin Europe b.v.	Co-shareholder
Usha Martin China Co., Ltd.	Co-shareholder
European Management and Marine Corporation Limited	Co-shareholder
Usha Martin Italia SRL	Co-shareholder
De Ruiter Staalkabel B.V.	Co-shareholder

Pricing policies for each transaction with related parties are as follows:

Type of Transaction	Pricing Policies
Sales of products – net	Negotiable prices approximate market price
Interest income	Agreed-upon interest rates referenced to market rates
Purchases of raw materials, spare parts, machinery and equipment	Negotiable prices approximate market price
Discount expense – net	Agreed-upon amount
Corporate guarantee charge on credit facilities	0.52% p.a. of the outstanding balance
Other expenses	Agreed-upon amount
Interest expense	Agreed-upon interest rates referenced to market rates
Key management's remunerations	Agreed-upon amount

Significant transactions between the Company and related parties for each of the years ended March 31, 2023 and 2022, in the financial statement in which the equity method is applied and the separate financial statements, are as follows:

	In Thousand Baht	
	2023	2022
Sales of products – net		
- Jointly controlled entity	110,874	79,164
- Related parties	761,444	547,884
Total	872,318	627,048
Interest income		
- Jointly controlled entity	450	450

	In Thousand Baht	
	2023	2022
Other income		
- Jointly controlled entity	-	909
Purchases of raw materials		
- Parent	51,026	255,979
- Jointly controlled entity	63,647	43,884
- Related parties	828	1,169
Total	115,501	301,032
Discount expense – net		
- Related parties	-	866
Corporate guarantee charge on credit facilities		
- Parent	1,886	1,680
Other expenses		
- Parent	453	-
- Related parties	5,593	642
Total	6,046	642
Interest expense		
- Parent	2,627	2,608
Key management's remunerations		
Short-term benefits	13,080	12,348
Post-employment benefits	410	274
Total	13,490	12,622

As at March 31, 2023 and 2022, the significant outstanding balances with related parties, in the financial statement in which the equity method is applied and the separate financial statements, are as follows:

	In Thousand Baht	
	2023	2022
Trade receivables		
- Jointly controlled entity	15,005	15,294
- Related parties	307,061	208,688
Total	322,066	223,982
Advance to purchase machinery		
- Parent	-	4,013
Trade payables		
- Parent	4,364	15,207
- Jointly controlled entity	-	507
Total	4,364	15,714
Long-term borrowings - Parent		
Principal	42,000	50,000
Less : Current portion	(12,000)	-
Net	30,000	50,000

	In Thousand Baht	
	2023	2022
Accrued expenses and other current liabilities		
Interest payable		
- Parent	671	163
Corporate guarantee charge on credit facilities		
- Parent	419	399
Other accrued expenses		
- Parent	453	-
- Related parties	795	-
Total	1,248	-

5. TRADE RECEIVABLES - Net

As at March 31, 2023 and 2022, trade receivables classified by outstanding period, in the financial statement in which the equity method is applied and the separate financial statements, are as follows:

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Related parties		
Current	306,850	206,571
Overdue :		
Not exceeding 3 months	15,216	17,411
Between 3 months - 6 months	-	-
Between 6 months - 12 months	-	-
Total	322,066	223,982
Other companies – net		
Current	75,835	113,977
Overdue:		
Not exceeding 3 months	28,110	57,211
Between 3 months - 6 months	5	86
Between 6 months - 12 months	62	-
Exceeding 12 months	2,858	2,850
Total	106,870	174,124
Less Allowance for expected credit losses	(2,902)	(2,901)
Net	103,968	171,223
Expected credit losses during the year	1	-
Reversal allowance for expected credit losses during the year	-	(9)

6. INVENTORIES – Net

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Finished goods	93,483	97,317
Work-in-process	134,717	131,061
Raw materials	65,384	87,073
Supplies and others	58,660	53,184
Raw materials in transit	34,430	24,330
Total	386,674	392,965
Less: Allowance for decline in value of inventories	(1,669)	(1,669)
Net	385,005	391,296
Allowance for decline in value of inventories recognized as an expense during the year	-	1,669

7. PROPERTY, PLANT AND EQUIPMENT – Net

(In Thousand Baht)

	Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements						
	Land	Building and structures	Plant machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Machinery under installation	Total
Cost							
Balance as at April 1, 2021	81,240	241,641	1,204,084	12,759	8,242	2,303	1,550,269
Additions	-	395	2,760	455	-	864	4,474
Write-off	-	-	-	-	-	(92)	(92)
Transfers in (out)	-	1,026	683	-	-	(1,709)	-
Transfers from right-of-use assets (Note 8)	-	-	594	126	1,415	-	2,135
Balance as at March 31, 2022	81,240	243,062	1,208,121	13,340	9,657	1,366	1,556,786
Additions	-	1,474	16,156	2,444	375	15,760	36,209
Disposals and write-off	-	(351)	(62)	-	(1,193)	-	(1,606)
Transfers in (out)	-	-	510	-	-	(510)	-
Transfers from right-of-use assets (Note 8)	-	-	1,099	-	-	-	1,099
Balance as at March 31, 2023	81,240	244,185	1,225,824	15,784	8,839	16,616	1,592,488
Accumulated Depreciation							
Balance as at April 1, 2021	-	161,109	918,811	9,482	6,825	-	1,096,227
Depreciation charge for the year	-	5,612	29,935	970	618	-	37,135
Transfers from right-of-use assets (Note 8)	-	-	354	50	709	-	1,113
Balance as at March 31, 2022	-	166,721	949,100	10,502	8,152	-	1,134,475
Depreciation charge for the year	-	5,614	36,240	919	549	-	43,322
Disposals and write-off	-	(97)	(62)	-	(1,193)	-	(1,352)
Transfers from right-of-use assets (Note 8)	-	-	655	-	-	-	655
Balance as at March 31, 2023	-	172,238	985,933	11,421	7,508	-	1,177,100

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements						
	Land	Building and structures	Plant machinery and equipment	Furniture, fixtures and office equipment	Vehicles	Machinery under installation	Total
Net Book Value							
As at March 31, 2022	81,240	76,341	259,021	2,838	1,505	1,366	422,311
As at March 31, 2023	81,240	71,947	239,891	4,363	1,331	16,616	415,388

All of the Company's land and certain assets, which have net book value as at March 31, 2023 and 2022 totalling Baht 288.6 million and Baht 319.4 million, respectively, were mortgaged to secure for credit facilities for short-term and long-term credit facilities from various local and foreign financial institutions as discussed in Notes 11, 13 and 25.

The gross carrying amounts of the Company certain property, plant and equipment totalling approximately Baht 443.7 million and Baht 430.4 million were fully depreciated as at March 31, 2023 and 2022, respectively, but these items are still in active use.

8. RIGHT OF USE ASSETS – Net

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements				
	Building	Plant Machinery and equipment	Furniture, Fixtures and office equipment	Vehicles	Total
Cost					
As at April 1, 2021	1,344	1,693	238	1,415	4,690
Transfer to property, plant and equipment (Note 7)	-	(594)	(126)	(1,415)	(2,135)
As at March 31, 2022	1,344	1,099	112	-	2,555
Additions	1,061	-	275	3,551	4,887
Transfer to property, plant and equipment (Note 7)	-	(1,099)	-	-	(1,099)
As at March 31, 2023	2,405	-	387	3,551	6,343
Accumulated Depreciation					
As at April 1, 2021	759	741	49	674	2,223
Depreciation charge for the year	363	250	24	35	672
Transfer to property, plant and equipment (Note 7)	-	(354)	(50)	(709)	(1,113)
As at March 31, 2022	1,122	637	23	-	1,782
Depreciation charge for the year	335	18	23	334	710
Transfer to property, plant and equipment (Note 7)	-	(655)	-	-	(655)
As at March 31, 2023	1,457	-	46	334	1,837
Net Book Value					
As at March 31, 2022	222	462	89	-	773
As at March 31, 2023	948	-	341	3,217	4,506

9. RESTRICTED DEPOSITS AT FINANCIAL INSTITUTIONS

This account, in the financial statement in which the equity method is applied and the separate financial statements, represented savings deposits and fixed deposits with two local financial institutions and a branch of foreign financial institution which have been pledged as collaterals with such financial institutions for credit facilities granted by the depository financial institutions as discussed in Notes 11 and 13, issuances of letters of guarantees and letters of credit as discussed in Note 25 and being guarantee on claim against the Company as discussed in Note 26.

10. DEFERRED TAX ASSETS

The details of deferred tax assets in the financial statement in which the equity method is applied and the separate financial statements as at March 31, 2023 are as follows:

	In Thousand Baht			
		Credited to		
	April 1, 2022	Profit for the year	Other comprehensive income for the year	March 31, 2023
Deferred tax assets				
Allowance for expected credit losses	77	-	-	77
Allowance for decline in value of inventories	334	-	-	334
Provision liability for post-employment benefit	7,663	648	-	8,311
Leases	(46)	32	-	(14)
Total	8,028	680	-	8,708

Tax expense in the financial statement in which the equity method is applied and the separate financial statements for each of the years ended March 31, 2023 and 2022 consisted of:

	In Thousand Baht	
	2023	2022
Current tax :		
Corporate tax for the year	26,594	10,037
Deferred taxes :		
Add (less): Tax effect from deferred tax of temporary differences		
- Allowance for expected credit losses	-	2
- Allowance for decline in value of inventories	-	(334)
- Provision liability for post-employment benefit	(648)	1,012
- Leases	(32)	46
Tax expense	25,914	10,763

Reconciliations between tax expense and accounting profit multiplied by the applicable tax rates for each year ended March 31, 2023 and 2022 are as follows:

	In Thousand Baht			
	Financial Statements In Which The Equity Method Is Applied		Separate Financial Statements	
	2023	2022	2023	2022
Accounting profit before tax	133,769	54,102	130,148	52,659
Tax rates at 20%	(26,754)	(10,820)	(26,030)	(10,532)
Add (less): Tax effect of permanent difference of				
- Tax effect on non-deductible expenses	840	57	116	(231)
Tax expense	(25,914)	(10,763)	(25,914)	(10,763)

Unrecognized Deferred Tax Assets

As at March 31, 2023 and 2022, its jointly controlled entity did not recognize deferred tax assets from loss carry forward and certain temporary differences totalling Baht 8.1 million and Baht 8.9 million, respectively, since it is not probable that future taxable profit will be available against which its jointly controlled entity can utilize the benefit therefore.

11. BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Loans under Buyer's Credit (U.S. Dollars 0.9 million and U.S. Dollars 4.3 million in 2023 and 2022, respectively)	29,347	144,289
Promissory notes	100,000	100,000
Trust receipts	237,517	227,789
Total	366,864	472,078

As at March 31, 2023 and 2022, the bearing interest rate of such borrowings are ranging between 3.8% - 8.2% per annum and 3.0% - 5.7% per annum, respectively.

As at March 31, 2023 and 2022, the Company obtained credit facilities from various local financial institutions covering short-term loan facilities for overdraft, promissory notes, packing credit, trust receipt, discount bills, letter of credit, letter of guarantee and forward contract totalling Baht 909.4 million and Baht 905.5 million, respectively, and credit facilities for loan under Buyer's Credit totalling U.S. Dollars 5 million,

Such credit facilities are collateralized by Company's land and certain assets as discussed in Note 7 and deposits at financial institutions as discussed in Note 9 and the parent. In addition, the Company has to maintain the significant conditions of such credit facilities agreements such as the proportion of shareholders and maintain certain financial ratios, i.e. debt equity ratio, debt service coverage ratio, etc.

12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Other payables	12,795	10,821
Accrued electricity	9,166	6,456
Accrued interest	1,351	790
Accrued employee bonus	5,941	4,920
Accrued freight	3,819	11,916
Advances from customers	3,876	3,730
Income tax payable	15,510	5,380
Others	8,053	4,104
Total	60,511	48,117

13. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTION - Net

	Interest Rate (% p.a.)		(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022	2023	2022
Loans from financial institution	2.0 - 4.15	2.0 and 3.9	31,375	28,070
Less : Current portion			(3,078)	(946)
Net			28,297	27,124

On June 10, 2021, the Company has entered into revolving loan agreement with a local financial institution for long term borrowings facility of Baht 25 million using for working capital of the Company. Subsequently on June 24, 2021, the Company has fully drawn down such credit facility. Such borrowing has maturity date within 5 years from first drawdown (June 23, 2026) or the shorter period as the financial institution specify. The Company's managements intend to not repay such borrowing within next year, hence, the Company presented such borrowing under "Long-term borrowings from financial institution".

On June 30, 2021, the Company has entered into another loan agreement with such local financial institution for long term borrowings facility of Baht 10 million using for purchasing and installing new machines of the Company. As at March 31, 2023, the Company has drawn down such credit facility totalling Baht 9.2 million. Such borrowing has repayment term every month totalling 36 periods commencing in May 2022 to April 2025.

Such credit facility is collateralized by mortgage of Company's land and certain assets as discussed in Note 7, deposits at financial institutions as discussed in Note 9. and guaranteed by Thai Credit Guarantee Corporation. In addition, the Company has to maintain the significant conditions of such credit facilities agreements such as the proportion of shareholders and maintain certain financial ratios, i.e. debt equity ratio, debt service coverage ratio, etc.

14. LEASE LIABILITIES - Net

Minimum Future Payments (for the year ending March 31)	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
2023	-	334
2024	1,199	29
2025	1,167	-
2026	1,038	-
2027	362	-
2028	49	-
Total	3,815	363
Less Deferred interest - net	(272)	(11)
Less Current portion	(1,061)	(325)
Net	2,482	27

Expenses relating to leasing for each of the years ended March 31, 2023 and 2022 are as follows:

	In Thousand Baht	
	2023	2022
Depreciation of right-of-use assets (Note 8)	710	672
Interest expense on lease liabilities	74	44
Expense relating to short-term leases	1,795	1,181
Total	2,579	1,897

15. PROVISION LIABILITY FOR POST-EMPLOYMENT BENEFIT

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Provision liability for post-employment benefit as at April 1	38,313	43,376
Current service cost	8,670	5,230
Interest expense	884	949
Payment for retired employees	(6,310)	(11,242)
Provision liability for post-employment benefit as at March 31	41,557	38,313

Expenses recognized in statements of comprehensive income for each years ended March 31, 2023 and 2022 are as follows:

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
In profit for the year :		
Current service cost	8,670	5,230
Interest expense	884	949
Total	9,554	6,179

Actuarial assumptions:

	Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Discount rate	2.07% per annum	2.07% per annum
Future salary increase	1.00% per annum	1.00% per annum
Employee turnover	0% - 49% per annum	0% - 49% per annum
Disability rate	5% of Thai Mortality Table Year 2017	5% of Thai Mortality Table Year 2017
Mortality rate	100% of Thai Mortality Table Year 2017	100% of Thai Mortality Table Year 2017

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for defined benefit plans by the amounts shown below.

	Impact to increase (decrease) (in Thousand Baht)	
	2023	2022
Effect on the non-current provision for employee benefit at March 31,		
Discount rate		
1% increase	(1,718)	(1,854)
1% decrease	1,891	2,032
Salary escalation rate		
1% increase	3,083	2,989
1% decrease	(2,809)	(2,754)
Employee turnover rate		
1% increase	(1,759)	(1,893)
1% decrease	1,550	1,632

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

16. DIVIDEND PAYMENT

At the annual general meeting of shareholders held on July 5, 2022, the shareholders approved the appropriation of dividend of Baht 0.15 per share for common shares of 14,300,000 shares, totalling Baht 2.145 million. The dividend was paid to shareholders on August 5, 2022.

17. LEGAL RESERVE

Under the provisions of the Limited Public Company Act, the Company is required to appropriate at least 5% of its profit after deduction of deficit carried forward (if any) as legal reserve until the legal reserve is not less than 10% of authorized share capital. This legal reserve is not available for dividend distributions.

As at March 31, 2023 and 2022, legal reserve is equal to 10% of the authorized share capital.

18. REVENUES FROM CONTRACTS WITH CUSTOMERS

Revenues of the Company arise mainly from revenues from sales of steel wire and wire rope products.

Disaggregation of revenue from contracts with customers

	In Thousand Baht	
	2023	2022
Segment revenue		
- Net sales	1,785,505	1,599,006
Timing of revenue recognition		
- At a point in time	1,785,505	1,599,006

The Company applies the practical expedient not to disclose revenue expected to be recognized in the future related to performance obligations that are unsatisfied as at March 31, 2023 and 2022, when it is initially expected that the contracts have original durations of one year or less. The Company recognized revenue in an amount that corresponds directly with the value to the customer of the date on which performance obligations are satisfied.

19. EXPENSES BY NATURE

	(In Thousand Baht) Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements	
	2023	2022
Changes in inventories of finished goods and work-in-process	178	(35,886)
Raw materials and consumables used in productions	1,096,523	1,087,770
Salaries, wages and others employee benefits	235,692	222,853
Manufacturing expense	162,320	130,164
Freight charges	88,323	89,475
Depreciation and amortization	44,119	37,894
Finance costs	33,101	28,269
Others	31,905	23,399
Total expenses	1,692,161	1,583,938

20. DISCLOSURE ON FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statements of financial position include cash and cash equivalents, trade receivables, advance to purchase raw materials, restricted deposits at financial institutions, investment in joint controlled entity, trade payables, bank overdraft and short-term borrowings from financial institutions, lease liabilities, long-term borrowings from financial institution and long-term borrowings from parent. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies in Note 3.

Liquidity Risk

Liquidity risk arises from the problem in raising funds adequately and in time to meet commitments as indicated in the financial statements. Based on the assessment of the Company current financial position and results of operations, the Company does not face liquidity risk.

Foreign Currency Risk

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies as appropriate.

As at March 31, 2023 and 2022, the Company had outstanding forward exchange contracts as follows:

(Unit : In Thousand)

	Financial Statements In Which The Equity Method Is Applied / Separate Financial Statements			
	Foreign Currency		Fixed Baht	
	2023	2022	2023	2022
Forward exchange contract - buy :				
- U.S. Dollar	3,531	1,556	118,559	50,362
Forward exchange contract - Sell :				
- U.S. Dollar	-	3,000	-	99,527

Forward exchange contracts in 2023 have maturity periods between August to September 2023 and terms of the contracts are generally not exceeding six months.

Credit Risk

Credit risk is the risk that a counterparty is unable or unwilling to meet a commitment that it entered into with the Company. The risk is controlled by the application of credit approvals and monitoring procedures.

The carrying amount of accounts receivable recorded in the statements of financial position net of allowance for expected credit losses, if any, represents the maximum exposure to credit risk.

Interest Rate Risk

Interest rate risk arises from the fluctuation of market interest rates, which may have an impact to current and future operations of the Company. The Company's exposure to interest rate risk relates primarily to borrowings from its parent which bear interest referenced to bank's interest rate while loans from financial institutions bear interest at floating market interest rates. Management believes that the interest rate risk is minimal; hence, the Company has not entered into any hedging agreements to mitigate this risk.

Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments.

The fair value of cash and cash equivalents, restricted deposits at financial institutions and bank overdrafts and short-term borrowings from financial institutions and long-term borrowings from financial institution - the aggregate carrying values are insignificantly different from their aggregate fair value because these financial assets and liabilities have floating interest rates, which approximate market rates.

Trade receivables, advance to purchase raw materials and trade payables; the carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Investment in jointly controlled entity, long-term borrowings from parent, and lease liabilities; their proper fair values are not practicable to be estimated without incurring excessive costs.

21. OPERATING SEGMENTS

The business of the Company is the manufacturing and sales of steel wire and wire rope products in domestic and export markets. For each of years ended March 31, 2023 and 2022, export sales represented approximately 64.05% and 58.44% of total sales, respectively, and the Company had sales with key customer who is a related company totalling Baht 336 million and Baht 284.1 million, respectively.

22. LONG-TERM SERVICE AGREEMENTS

The Company has commitments on service agreements covering its office facilities whereby annual service fees are totalling approximately Baht 0.6 million. The term of the agreements is for 36 months expiring on November 30, 2025. Under the terms of the agreements, the Company has paid rental and service guarantees to the lessor totalling approximately Baht 0.1 million, which are presented as part of "Other non-current assets" in the statements of financial position. As at March 31, 2023 and 2022, the Company is committed to pay rental and service fees as follows:

	In Thousand Baht	
	2023	2022
Due for payments within one year	583	340
Due for payments after one year but not exceeding five years	778	-
Total	1,361	340

23. INDUSTRIAL PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Investment Promotion Act B.E. 2520, the Company was granted certain industrial promotional privileges for the productions of wire rope and wire strand, steel wire, and type bead wire. Such privileges include exemption of import duty on the imported raw materials and supplies used in the production for export and exemption of import duty on the objects imported by the promoted entity for export. The Company has been granted the extension of such privileges until July 27, 2023 and April 9, 2024.

As the promoted entity, the Company must comply with certain conditions and regulations as specified in the promotional certificate.

24. CAPITAL MANAGEMENT

Significant objectives on capital management are to ensure that the Company has appropriate financial and capital structures to maintain financial liquidity and ability to continue its business as a going concern.

As at March 31, 2023 and 2022, Debt-to-Equity ratio in separate financial statements was 0.54:1.00 and 0.77:1.00, respectively.

The above Debt-to-Equity Ratio is calculated based on the formula specified in the related loan agreement and also determined by the bank who is major loan creditor of the Company. Debt means total interest bearing debts deducted by the related party loan whereas Equity means total shareholders' equity plus the related party loan.

25. OTHERS

As at March 31, 2023 and 2022 the Company had

		In Thousand Baht	
		2023	2022
a)	Letters of guarantee issued by local financial institutions to two state enterprises and a private company which collateralized by deposits at banks, all land and certain assets as discussed in Note 7 and 9.	33,786	37,842
b)	Unused letters of credit with local financial institutions.	75,771	72,403
c)	Commitments on improvement and extension of buildings and machinery under installation.	11,225	6,957

26. LITIGATION AND CLAIM

As at March 31, 2023 and 2022 the Company was assessed by the Customs Department with a claim for import duty and value-added tax together with penalties and surcharges totalling approximately Baht 1.9 million on the importation of machinery and related spare parts during January to April 2013. However, management believes that the Company was entitled to be exempted from such duty and tax regarding certain announcement of the Ministry of Industry to relief the impact from severe flooding disaster in late 2011 for victims in the flooded areas. Therefore, the Company has filed the petitions to appeal and deny such claim whereby a guarantee was paid to the Customs Department in form of the Company's fixed deposit with a local financial insitution amounting to approximately Baht 1.7 million in respect of filing the petitions. Such guarantee was presented as part of "Restricted deposits at financial institutions" in the statement of financial position in which the equity method is applied and the separate statements of financial position as at March 31, 2023 and 2022. The aforesaid petitions have been in the consideration process and the outcome cannot presently be determined. Management believes that the negative impact from this claim is still remote.

27. THAI FINANCIAL REPORTING STANDARDS ANNOUNCED IN THE ROYAL GAZETTE BUT NOT YET EFFECTIVE

The Federation of Accounting Professions has revised TFRSs which are effective for annual accounting periods beginning on or after January 1, 2023 and have not been adopted in the preparation of these financial statements because they are not yet effective. The Company has assessed the potential initial impact on the financial statements of these revised TFRSs and expected that there will be no material impact on the financial statements in the period of initial application.

28. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved by the Company's directors on April 21, 2023.

USHA MARTIN AMERICAS, INC.

FINANCIAL STATEMENTS

For the Years Ended March 31, 2023 and 2022

With Independent Auditors' Report

Braj Aggarwal, CPA, P.C.

Certified Public Accountant

37-05 74th Street
Jackson Heights, NY 11372
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USHA MARTIN AMERICAS, INC.

FINANCIAL STATEMENTS

For the Years Ended March 31, 2023 and 2022

With Independent Auditors' Report

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BRAJ AGGARWAL, CPA, P.C.
Certified Public Accountant and Advisor

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To Board of Directors
Usha Martin Americas, Inc

Opinion

We have audited the financial statements of Usha Martin Americas, Inc. (the "Company"), which comprise the balance sheets as of March 31, 2023, and 2022, the related statement of operation, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's Responsibility

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- 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. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Braj Aggarwal, CPA, P.C.

Braj Aggarwal, CPA, P.C.
April 21, 2023

Usha Martin Americas Inc
Balance Sheets
As of March 31, 2023 and 2022

Particular	2023	2022
Assets		
Current Assets		
Cash & cash equivalents	961,476	247,789
Certificate of deposits	762,539	752,538
Accounts receivable -net	5,776,164	3,112,763
Inventories	5,117,857	5,097,953
Prepaid expenses and other current assets	2,011,430	355,794
Total Current Assets	**14,629,466**	**9,566,838**
Investments	1,800,000	1,800,000
Non Current Assets		
Propert Plant & Equipments:		
Building and improvements	11,951	11,951
Equipments	188,174	186,445
Furniture & fixtures	19,348	19,347
Vehicles	116,456	116,456
Total	335,929	334,198
Less: Accumulated depreciation	(237,329)	(207,350)
Propert plant & equipments, net	98,600	126,848
Intangibles assets:		
Computer Software, net of amortization	9,519	15,208
Trademarks, net of amortization	62,490	75,672
Intangibles assets, net	72,009	90,880
Total Non Current Assets	**170,609**	**217,728**
Total Assets	**$ 16,600,075**	**$ 11,584,566**

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Balance Sheets

As of March 31, 2023 and 2022

Particular	2023	2022
Liabilities & Net Assets		
Liabilities		
Current Liabilities		
Accounts payable - trade	78,029	31,747
Accounts payable - related parties	3,430,017	2,017,344
Accrued liabilities	252,403	458,982
Current portion of long term debt	6,312	6,312
Other current liabilities	1,398,873	795,800
Total Current Liabilities	**5,165,634**	**3,310,185**
Non Current liabilities		
Long term debt	6,194	12,418
Total non current liabilities	**6,194**	**12,418**
Total liabilities	**5,171,828**	**3,322,603**
Equity		
Preferred stock, $1 par value, 250,000 shares authorized, Nil shares issued and outstanding	-	-
Common stock, $1 par value, 4,750,000 shares authorized, 4,000,000 shares issued and outstanding	4,000,000	4,000,000
Retained earning	7,428,247	4,261,963
Total Members' Equity	**11,428,247**	**8,261,963**
Total Liabilities & Stockholders Equity	**$ 16,600,075**	**$ 11,584,566**

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Statements of Income

For the years ended March 31, 2023 and 2022

Particulars	2023	2022
Net sales	26,214,992	14,836,790
Cost of goods sold	19,784,182	10,905,289
Gross Profit	**6,430,810**	**3,931,501**
Operating expenses:		
Depreciation and amortisation	48,852	48,962
Employee benefits expense	1,376,697	1,079,397
Legal & professional expense	127,374	122,184
Other operating expenses	1,111,315	617,270
Total operating expenses	2,664,238	1,867,815
Operating Profit before Interest and Tax and Adjustement	**3,766,572**	**2,063,686**
Other income (expense):		
Interest Income	5,687	1,601
Gain On Sales-Assets	12,650	-
Other miscellaneous income	266,136	4,951
Total other income	284,473	6,552
Profit Before Interest and Tax	**4,051,045**	**2,070,238**
Less: Interest	951	1,637
Operating Profit Before Tax	**4,050,094**	**2,068,600**
Provision for income tax	883,810	365,999
Operating Profit after Interest and Tax	**$ 3,166,284**	**$ 1,702,602**

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Statements of Changes in Stockholder's Equity

For the years ended March 31, 2023 and 2022

Particulars	Preferred Stock	Common Stock	Retained Earnings	Stockholder's Equity
Balance as at March 31, 2021	-	4,000,000	2,559,361	6,559,361
Net Income	-	-	1,702,602	1,702,602
Balance as at March 31, 2022	$ -	$ 4,000,000	$ 4,261,963	$ 8,261,963
Net Income	-	-	3,166,284	3,166,284
Balance as at March 31, 2023	$ -	$ 4,000,000	$ 7,428,247	$ 11,428,247

The accompanying notes and schedules are integral part of these financial statements

Usha Martin Americas Inc

Statements of Cash Flows

As of March 31, 2023 and 2022

Particulars	2023	2022
Operating activities		
Net income	3,166,284	1,702,602
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	48,852	48,962
Interest Income	(10,003)	-
Changes in working capital		
(Increase)/decrease in accounts receivable	(2,663,401)	(1,328,877)
(Increase)/decrease in inventory	(19,904)	(1,057,351)
(Increase)/decrease in other current assets	(1,655,636)	(306,449)
Increase/(decrease) in accounts payable	1,458,955	(1,606,199)
Increase/(decrease) in accrued liabilities	(206,579)	266,489
Increase/(decrease) in other liabilities	603,073	189,934
Cash used in operating activities (A)	**$ 721,642**	**$ (2,090,890)**
Cash flow from investing activities		
Proceeds from redemption of certificate of deposits	-	922,780
Acquisition of property, plant and equipment, intangible assets	(1,731)	(2,228)
Cash flow from investing activities (B)	**$ (1,731)**	**$ 920,552**
Cash provided by financing activities		
(Payment) on lease liability	-	-
(Repayment)/proceeds car loan	(6,224)	(5,192)
Cash provided by financing activities (C)	**$ (6,224)**	**$ (5,192)**
Net cash flow changes during the period (A+B+C)	**713,688**	**(1,175,530)**
Cash & equivalents at beginning of year	247,789	1,423,319
Cash & equivalents at year end	**$ 961,476**	**$ 247,789**

The accompanying notes and schedules are integral part of these financial statements

1. SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Usha Martin Americas, Inc., (the “Company”), a Texas Corporation, was formed on April 10, 1996 and is a wholly owned subsidiary of Usha Martin Limited (“UML”). The Company is located in Houston, Texas and markets and sells wire rope manufactured by UML and related companies. In addition, the Company sells other ancillary products that it imports primarily from Asia. Products are sold directly and through distributors to companies in the oil and gas, heavy marine, construction, mining, elevator and other industries throughout the United States, Canada, Central America and the Caribbean Islands.

Accounting Standards Recently Adopted

Accounting Standards Update (“ASU”) 2014-09 (as revised), Revenue from Contracts with Customers and the related amendments (collectively Accounting Standards Codification (“ASC”) 606), amends and supersedes the current revenue recognition requirements and creates a new accounting standard. ASC 606 removes inconsistencies and weaknesses in current revenue requirements, provides a more robust framework for addressing revenue issues, improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, provides more useful information to the users of financial statements through improved disclosure requirements and reduces the number of requirements to which an entity must refer. The guidance in this ASU requires an entity to recognize the amount of revenue that it expects to be entitled for the transfer of promised goods or services to customers. Effective April 1, 2019, the Company adopted ASC 606. The Company adopted this ASU using the modified retrospective adoption method. Other than enhanced disclosure around revenue from contracts with customers, there was no impact on the financial statements.

Use of Estimates

The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual reports may differ materially from those estimates.

Cash Equivalents

Cash equivalents include short-term investments with original maturities of three months or less except for those investments held for long-term purposes.

Concentrations of Credit Risk

The Company primarily invests its excess cash in deposits with various banks, and at times, these deposits may exceed the federally insured limits. The Company manages this risk by selecting depository institutions based, in part, upon its review of the financial stability of the institutions and has not experienced any losses on such accounts.

The Company sells wire rope to companies in the oil and gas, heavy machine, elevator, mining and construction industries. Consequently, the Company's ability to collect amounts due from customers may be affected by economic fluctuations in those industries.

The Company imports virtually all of its products from the United Kingdom and Asia, either from UML, Usha Siam Steel Industries Public Company Limited or other companies in Asia. Therefore, changes in domestic and international economic or political conditions could have a significant adverse effect on the Company's future financial position or results of operations.

Reclassifications

Certain reclassifications may be made to the 2021-22 financial statements in order to conform to the 2022-23 presentation. Such reclassifications did not change total assets, total liabilities, revenues, expenses or changes in net assets as reflected in the previously issued 2021-22 financial statements.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606 and as such, the Company identifies a contract with a customer, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to each performance obligation in the contract and recognizes revenue when (or as) the Company satisfies a performance obligation.

- **Performance obligations:** A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Revenue is recognized in accordance with contractual terms, in an amount that reflects the consideration the Company expects to be entitled to in exchange for services rendered.

- **Accounting methodology:** Contracts with customers are created using an agreed-upon sales price. The Company recognizes revenue from product sales when control of the good is transferred to the customer, generally upon delivery of the goods, or shipment from, a Company location pursuant to Free on Board ("FOB") point of origin shipping terms meaning that control is passed to the customer upon shipment. The Company also recognizes revenue using the point in time method pursuant to FOB destination where control passes to the customer once the goods arrive at the buyer's location.

- **Variable consideration:** All contracts are short-term and do not include warranty provisions, returns, associate, promotions and other similar customer incentives to customers. Sales discounts represent 0.2% of sales and are considered immaterial. Implicit terms allowing limited rights of return and are inferred for errors made by the Company or defective goods. These returns are considered to be an assurance-type warranty, which will continue to be accounted for under existing guidance, Topic 460 (guarantees). Accordingly, the Company estimates reserves for sales returns (bad debt) based on historical experience, among other factors.

  In the rare event of an item being returned by a customer, the sales revenue is reversed when the item is received back into inventory. If this crosses periods, the revenue is reversed in the month originally recorded.

- **Contract balances:** Under the new rules, ASC 606 requires disclosure of contract assets and contract liabilities due to remaining performance obligations in a contract, depending on the relationship between the entity's performance and the customer's payment. Receivables from contracts with customers are recorded when the right to consideration becomes unconditional, when control of the product is transferred to the customer. As of March 31, 2023, the Company had no contract assets or contract liabilities.

- **Disaggregation of revenue:** The Company has one primary revenue stream, which is from the sale of various sizes of wire rope products. The Company's primary revenue stream is from the sale of wire rope. The Company does have revenue from services associated with their wire rope sales, such as freight, however they are less than 1 percent of total sales. The type of customer does not influence the Company's revenue generation. Ultimately, the Company is supplying the same goods. As such, there is no disaggregation and the revenue for the years ended March 31, 2023 and 2022 is stated on the face of the statements of operations.

Accounts Receivable

The allowance for doubtful accounts is based on past experience and other factors which, in management's judgment, deserve current recognition in estimating possible bad debts. Such factors include growth and composition of accounts receivable, the relationship of the allowance for doubtful accounts to accounts receivable and current economic conditions. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance, based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the respective receivable account. The allowance for doubtful accounts as of March 31, 2023, and 2022 was $236,244 and $58,900 respectively.

Property and Equipment

Property, plant and equipment are stated at cost. Additions, renewals and betterments are capitalized, whereas expenditures for maintenance and repairs are charged to expense. The cost and accumulated depreciation and amortization of assets retired or sold are removed from the appropriate asset and depreciation and amortization accounts, and the resulting gain or loss is reflected in income.

Depreciation for financial reporting purposes is computed using the straight-line method over the estimated useful life of various asset classes as follows:

	Expected Useful Life
Building and improvements	10-39 years
Vehicles	5 years
Office equipment	5 years
Computer software	5 years
Furniture and fixtures	7 years
Warehouse equipment	5-10 years

Depreciation expense totaled $29,979 and $30,090 for the years ended March 31, 2023 and 2022, respectively,

Long Lived Assets

The Company's long-lived assets and other assets to be held and used are reviewed for impairment in accordance with the guidance of FASB ASC 360-10, Property, Plant, and Equipment, whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. The Company has determined that there are no impairment losses for the years ended March 31, 2023 and 2022.

Intangible Assets

Intangible Assets are recorded at cost and are amortized on a straight-line basis over their expected useful life of fifteen years. Amortization expenses totaled $18,873 and $18,872 for the years ended March 31, 2023, and 2022 respectively.

Advertising and Marketing

The Company's policy is to expense all advertising costs as incurred. Advertising costs totaled $83,526 and $12,179 for the years ended March 31, 2023 and 2022, respectively.

Leases

The company has a lease for an office and warehouse in Houston, Texas which is classified as operating lease in the Company's books. The Company incurred rental expense amounting to $156,000 for the period ended March 31, 2023.

Fair Value of Financial Instruments

The amounts reported in the balance sheets for cash and cash equivalents, certificates of deposits, accounts receivable, inventory, other assets, note payable, accounts payable and accrued liabilities approximated their fair value because of the short-term maturities of these instruments.

Inventory

Inventory consists of wire rope products held for resale and is stated at the lower of cost or net realizable value, cost being determined using the specific identification method. The inventory balance as of March 31, 2023 and 2022 is $5,117,857 and $5,097,954.

Income taxes

The Company accounts for income taxes in accordance with FASB ASC 740, Income Taxes, which provides for recognition of a deferred tax asset for deductible temporary differences including net operating loss and tax credit carryforwards, net of a valuation allowance, and recognition of a deferred tax liability for taxable temporary differences. Provisions for income taxes are based on taxes payable or refundable for the current year and deferred taxes on temporary differences between the amount of taxable income and pretax financial income, and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes.

The guidance under FASB ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management evaluated the Company's tax positions and concluded that the Company had taken no uncertain tax positions that require adjustment to the current or prior year financial statements to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years before fiscal 2017. No authorities have commenced income tax examinations as of April 21, 2023.

The Company is subject to Texas state franchise tax equal to one half of 1% of the lesser of: (a) 70% of Texas sourced gross revenue, (b) 100% of Texas sourced gross revenue less cash compensation and benefits, or (c) 100% of Texas sourced gross profit.

2. RELATED PARTY TRANSACTIONS

The Company purchases substantially all of its inventory from related companies, UML, Brunton Wolf, Brunton Shaw and Usha Siam. During the years ended March 31, 2023, and 2022, the Company's purchases from these companies approximated $19,401,762 and $8,100,714 respectively.

For the year ended March 31, 2023, and 2022, UML charged the Company approximately $ 11,313 and $5,308 and UM Singapore charged $23,220 as management fees respectively .

During FY 2022-23 Company sold machine amounting to $131,250 to UML India.

3. CUSTOMER CONCENTRATION

During the year ended March 31, 2023, approximately $7,083,351 or 28% of the Company's sales were to two customers, and $3,903,271 or 26% of the Company's sales were to two customers for the year ended March 31, 2022. Accounts receivable from these customers approximated $1,617,538 as of March 31, 2023, and $419,554 as of March 31, 2022.

4. INCOME TAXES

Income tax expense (benefit) for the years ended March 31, 2023, and 2022 consisted of the following:

Current tax	**2022-23**	**2021-22**
Income Taxes:		
Federal	883,810	365,999
State	-	-
Total current tax	**883,810**	**365,999**

Because of management's uncertainty as to whether the Company will be able to generate taxable income to utilize the remaining deferred tax benefits, deferred tax assets have been fully reserved. Subsequent recognition of these deferred tax assets would result in an income tax benefit in the year of such recognition. As of March 31, 2023, the Company has Nil net operating loss available for carryforward to offset federal taxable income in future years.

Deferred income taxes are presented on the Balance Sheet as of March 31, 2023 and 2022 are as follows:

Deferred Tax Assets	**2022-23**	**2021-22**
Federal	-	-
Deferred Tax Allowance	-	-
Net deferred tax asset/(liability)	**-**	**-**

6. SUBSEQUENT EVENTS

The Company evaluated subsequent events through the date the financial statement was available to be issued and has concluded there were no subsequent events requiring adjustments or disclosure.

BRUNTON WIRE ROPES FZCO

(formerly Brunton Wolf Wire Ropes FZCO)

Financial Statements

31 March 2023

Place of Business:

Plot No. MO 0301,
Jebel Ali Free Zone
P.O. Box 17491
Dubai, U.A.E.

BRUNTON WIRE ROPES FZCO

Reports and Financial Statements
For the year ended 31 March 2023

CONTENTS	*PAGE*

BRUNTON WIRE ROPES FZCO

Director's Report

The Director submits his report and financial statements for the financial year ended 31 March 2023.

Results and dividend

Profit for the year amounted to AED 9,107,025/-. To conserve the financials resources of the company, the director did not recommend any dividend for the year.

Review of the business

The company registered to carry out manufacturing and trading of metal ropes, was mainly engaged in manufacturing and trading of steel wire ropes, slings, crane pendants, pennant wires and design and supply of mooring systems, lifting slings, marine and lifting equipments and technical support of own products.

Events since the end of the year

There were no important events, which have occurred since the year-end that materially affect the Company.

Shareholders and their interests

The shareholders as at 31 March 2023 and their share holdings were as under:

Name of the shareholders	*Country of incorporation*	*No. of shares*	*AED*
Usha Martin Limited	India	114	11,400,000
Usha Martin Americas Inc	U.S.A.	38	3,800,000
		152	**15,200,000**

Auditors

A resolution to re-appoint KSI Shah & Associates as auditors and fix their remuneration will be put to board at the Annual General Meeting.

S. Majumder

Sabyasachi S Majumder
Director

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Independent Auditors' Report to the Shareholders'/Directors' of BRUNTON WIRE ROPES FZCO

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **BRUNTON WIRE ROPES FZCO**, which comprises of the statement of financial position as of 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of 31 March 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the UAE, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA 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. Other information comprises the director's report, which we obtained prior to the date of this auditor's report. The other information 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 on the other information that we obtained prior to the date of this auditor's report, we concluded that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report to the Shareholders'/Directors' of BRUNTON WIRE ROPES FZCO

Report on the Audit of the Financial Statements (contd.)

Auditors' 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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.

We communicate with Those Charged with Governance 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

To the best of our knowledge and belief no violations of the Regulations issued by the Jebel Ali Free Zone Authority pursuant to Implementing Regulations of 2016 or the articles of association of the company have occurred during the year, which would have had a material effect on the business of the company or on its financial position.

KSI Shah & Associates

For KSI Shah & Associates
Dubai, U.A.E.
Signed by:
Sonal P. Shah (Registration No. 123)
Dubai

كي اس آي شاه و مشاركوه
P.O. Box 71241
Dubai - U.A.E.
KSI SHAH & ASSOCIATES

18 April 2023

BRUNTON WIRE ROPES FZCO

Statement of Financial Position
As at 31 March 2023

	Notes	*2023* ***AED***	*2022* ***AED***
ASSETS			
Non-current assets			
Property, plant and equipment	6	**8,256,810**	6,643,023
Capital work in progress	7	**60,551**	507,607
Right-of-use assets	8	**6,220,534**	177,125
Intangible assets	9	**-**	149,388
Total non-current assets		**14,537,895**	7,477,143
Current assets			
Inventories	10	**31,934,406**	40,103,089
Trade and other receivables	11	**35,754,600**	34,052,627
Cash and cash equivalents	12	**3,833,766**	4,451,912
Total current assets		**71,522,772**	78,607,628
TOTAL ASSETS		**86,060,667**	86,084,771
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**15,200,000**	15,200,000
Retained earnings		**39,556,173**	30,449,148
Total equity		**54,756,173**	45,649,148
LIABILITIES			
Non-current liabilities			
Provision for staff end of service gratuity		**3,075,674**	2,765,668
Lease liabilities	16	**6,098,446**	-
Total non-current liabilities		**9,174,120**	2,765,668
Current liabilities			
Trade and other payables	14	**17,193,326**	26,677,020
Borrowings	15	**4,599,579**	10,797,815
Lease liabilities	16	**337,469**	195,120
Total current liabilities		**22,130,374**	37,669,955
TOTAL EQUITY AND LIABILITIES		**86,060,667**	86,084,771

The accompanying notes 1 to 26 form an integral part of these financial statements.
The Independent Auditors' Report is set forth on pages 2 and 3.
Approved by the board of directors on 18th April 2023 and signed on their behalf by;
For BRUNTON WIRE ROPES FZCO

S. Majumder

Sabyasachi S. Majumder
Director

Tapas Gangopadhyay
Director

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BRUNTON WIRE ROPES FZCO.

BRUNTON WIRE ROPES FZCO

Statement of Comprehensive Income
For the year ended 31 March 2023

	Notes	*2023* *AED*	*2022* *AED*
Sales		**134,458,447**	107,567,876
Cost of sales	18	**(108,990,367)**	(84,893,458)
Gross profit		**25,468,080**	22,674,418
Other income	19	**331,569**	443,950
Expenses	20	**(15,746,838)**	(14,925,853)
Operating profit		**10,052,811**	8,192,515
Finance costs	21	**(945,786)**	(343,535)
Profit for the year		**9,107,025**	7,848,980
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**9,107,025**	7,848,980

The accompanying notes 1 to 26 form an integral part of these financial statements.

BRUNTON WIRE ROPES FZCO

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

	Share capital AED	*Retained earnings AED*	*Total AED*
At 1 April 2021	15,200,000	22,600,168	37,800,168
Profit for the year	-	7,848,980	7,848,980
At 31 March 2022	**15,200,000**	**30,449,148**	**45,649,148**
Profit for the year	-	9,107,025	9,107,025
At 31 March 2023	**15,200,000**	**39,556,173**	**54,756,173**

The accompanying notes 1 to 26 form an integral part of these financial statements.

BRUNTON WIRE ROPES FZCO

Statement of Cash Flows
For the year ended 31 March 2023

	Notes	2023 AED	2022 AED
Cash flows from operating activities			
Profit for the year		**9,107,025**	7,848,980
Adjustments for:			
Depreciation of property, plant and equipment	6	**1,610,131**	1,399,843
Amortisation of intangible assets	9	**149,388**	223,471
Gain on disposal of property, plant and equipment	19	**(63,257)**	(169,573)
Finance costs	21	**702,920**	314,990
Provision for staff end of service benefits		**377,115**	401,800
Depreciation of right-of-use asset	8	**504,520**	354,247
Interest expense on lease liabilities	21	**242,866**	28,545
Operating cash flows before changes in operating assets and liabilities		**12,630,708**	10,402,303
Decrease/(increase) in inventories		**8,168,683**	(6,081,121)
Increase in trade and other receivables	11	**(1,701,973)**	(13,312,825)
(Decrease)/increase in trade and other payables	14	**(9,483,694)**	6,784,755
Cash generated from/(used in) operating activities		**9,613,724**	(2,206,888)
Interest paid		**(702,920)**	(314,990)
Staff end of service benefits paid		**(67,109)**	(27,050)
Net cash generated from/(used in) operating activities		**8,843,695**	(2,548,928)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	**(634,274)**	(696,080)
Payment for capital work in progress		**(2,267,474)**	(1,387,018)
Changes in margin deposits		**(756,530)**	(154,577)
Changes in time deposits		**(1,681)**	(1,671)
Proceeds from sale of property, plant and equipment		**63,257**	181,334
Excess capitalisation reversed		**124,886**	-
Net cash used in investing activities		**(3,471,816)**	(2,058,012)
Cash flows from financing activities			
(Repayments)/proceeds from bank borrowings	15	**(6,198,236)**	2,902,045
Repayment of lease liabilities	16	**(550,000)**	(400,000)
Net cash (used in)/generated from financing activities		**(6,748,236)**	2,502,045
Net decrease in cash and cash equivalents		**(1,376,357)**	(2,104,895)
Cash and cash equivalents at the beginning of the year		**3,144,751**	5,249,646
Cash and cash equivalents at the end of the year	**22**	**1,768,394**	3,144,751

The accompanying notes 1 to 26 form an integral part of these financial statements.

BRUNTON WIRE ROPES FZCO

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

1 General information

a) **BRUNTON WIRE ROPES FZCO** ("The Company") is a free zone company with limited liability registered on 1st September 1998 with Jebel Ali Free Zone Authority, United Arab Emirates, under the industrial license no. 2024 and trading license no. 2025. The management and control vests with the board of directors of Usha Martin Limited, India and Usha Martin Americas Inc, USA (the shareholders of the company).

b) The company is registered to carry out manufacturing and trading of metal ropes and was mainly engaged in manufacturing and trading of steel wire ropes, slings, crane pendants, pennant wires and design and supply of mooring systems, lifting slings, marine and lifting equipments and technical support of own products.

2 Basis of preparation

2.1 Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and which are effective for accounting periods beginning on or after 1 January 2022 and the implementing rules and regulations of the Jebel Ali Free Zone Authority.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which are being measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as described below:

• Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

• Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These financial statements are presented in U.A.E. Dirhams, which is the company's functional and presentation currency.

3 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3.1 Critical judgements in applying accounting policies

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Impairment

At each reporting date, management conducts an assessment of property, plant and equipment, intangible assets and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

Revenue from contracts with customers

• Timing for transfer of control of goods

In case of performance obligation satisfied at point in time, the control of goods is transferred, when physical delivery of the goods to the agreed location has occurred, as a result, the company has a present right to payment and retains none of the significant risks and rewards of the goods.

• Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year from the due date. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty and assumptions at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Residual values of property, plant and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets' estimated useful lives.

Estimated useful life of property, plant and equipment

Management determines the estimated useful lives and depreciation charge for its property, plant and equipment at the time of addition of the assets and is reviewed on annual basis.

3 Use of estimates and judgments

3.2 Key sources of estimation uncertainty (continued)

Carrying value of intangible assets

Carrying values of the intangible assets are assessed for premiums as commanded by the market forces on a periodic basis. Based on such assessments the premiums are reduced to their estimated market valuation.

Inventory provision

Management regularly undertakes a review of the company's inventory, in order to assess the likely realization proceeds, taking in account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Provision for expected credit losses of trade receivables

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

Impairment of non-financial assets

Assessments of net recoverable amounts of property, plant, equipment, right to use assets, capital work-in progress and intangible assets are based on assumptions regarding future cash flows expected to be received from the related assets.

Staff end-of-service gratuity

The company computes the provision for the liability to staff end-of-service gratuity assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

Revenue from contracts with customers

- Determining the transaction price:

The Company's revenue is from sale of goods is derived from fixed price contracts with customers and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Based on the historical performance of the company, it is highly probable that there will not be reversal of previously recognized revenue on account of the return of goods or volume rebates.

- Allocating the transaction prices:

There is a fixed unit price for each item sold to the customer. Therefore, there is no judgment involved in allocating the contract price to each unit ordered in contracts with customers. Where a customer orders more than one item, the Company is able to determine the split of the total contract price between each item by reference to each product's standalone selling prices (all product lines are capahle of being, and are, sold separately).

BRUNTON WIRE ROPES FZCO

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

3 Use of estimates and judgments

3.2 Key sources of estimation uncertainty (continued)

• Provision of rights to return goods, volume rebates and other similar obligations:
The Company reviews its estimate of expected returns at each reporting date on basis of the historical data for the returns, rebates and other similar obligations and updates the amounts of the asset and liability accordingly.

4 Application of new and revised International Financial Reporting Standards (IFRSs)

4.1 New and revised International Financial Reporting Standards

The following International Financial Reporting Standards (IFRSs), amendments and interpretations issued by IASB that became effective for the current reporting period:

• Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use.
• Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract
• Amendments to IFRS 3 - References to the Conceptual
• Annual Improvements to IFRS Standards 2018 – 2020 – Amendments to IFRS 1, IFRS 9, IFRS 16 Leases and IAS 41.

During the current year, the management has adopted the above amendments to the extent applicable to them from their effective dates. These amendments have no significant impact on the amounts reported in these financial statements. Their adoption has resulted in presentation and disclosure changes only.

4.2 International Financial Reporting Standards issued but not effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 1 - Classification of Liabilities as Current or Non-current - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of accounting policies - The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 - Definition of accounting estimates – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction – The effective date of the amendments is set for annual periods beginning on or after 1 January 2023.

IFRS17 - Insurance Contracts and amendments to IFRS 17- The effective date of the standard is set for annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 - Non-current liabilities with Covenants - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 - Liability in a sale and leaseback - The effective date of the amendments is set for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture – The effective date of the amendments is not yet stated.

5 Significant accounting policies

5.1 Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated by equal annual installments over their estimated useful lives as under:

Factory building and residential units	5-10 years
Plant and machinery	5-10 years
Furniture, office equipment and vehicles	4 years

Depreciation on additions is calculated on a pro-rata basis from the month of additions and on deletion up to the month of deletion of the asset.

5.2 Leases

Right to use assets

The Company recognises right of use assets at the commencement date of the lease. Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, if any.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the respective lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of workers' and staff accommodations (i.e., those leases that have a lease term of 12 months or less). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

5.3 Capital work in progress

Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use and will he transferred to property, plant and equipment and intangible assets.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2023

5 Significant accounting policies (continued)

5.4 Intangible assets

Acquired computer software licenses are initially capitalised at cost, which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured, is added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight-line method over their estimated useful lives of five years.

5.5 Financial instruments

Recognition and Initial measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable in relation to financial assets and financial liabilities, other than those carried at fair value through profit or loss (FVTPL), are added to the fair value on initial recognition.

Financial assets at amortised cost (debt instruments)

Financial assets that are held within a business model whose objective is to hold the asset in order to collect contractual cash flows that are solely payments of principal and interest are subsequently measured at amortised cost less impairments, if any. Interest income calculated using effective interest rate (EIR) method and impairment loss, if any are recognised in the statement of profit and loss. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivables, other current financial assets and cash and cash equivalents. Due to the short term nature of current receivables, their carrying amounts are considered to be the same as their fair values.

Classification and subsequent measurement of financial liabilities

For the purpose of subsequent measurement, financial liabilities are classified as follows:

• Amortised cost - Financial liabilities are classified as financial liabilities at amortised cost by default. Interest expense calculated using EIR method is recognised in the statement of profit and loss.
• Fair values through profit or loss (FVTPL) - Financial liabilities are classified as FVTPL if it is held for trading, or is designated as such on initial recognition. Changes in fair value and interest expense on these liabilities are recognised in the statement of profit and loss.

The company's financial liabilities include trade and otber payables and short term bank borrowings. The carrying amounts of financial liabilities are considered as to be the same as their fair values, due to their short term nature.

Derecognition of financial assets and financial liabilities

Financial assets are de-recognised when, and only when,
• The contractual rights to receive cash flows expire or

5 Significant accounting policies (continued)

5.5 Financial instruments (continued)

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-tbrough' arrangement; and either
a) the Company has transferred substantially all the risks aud rewards of the asset, or
b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The differeuce in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses 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.

Expected credit losses are recognised in two stages.

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

For trade receivables and contract assets, the Company applies a simplified approach in calculating expected credit losses. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses 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.

5.6 Inventories

Raw materials and work in progress are stated at cost including direct expenses using weighted average method.

Finished goods and trading goods are valued at the lower of cost and net realizable value.

Cost comprises of material cost, consumables, packing material and attributable overheads.

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2023

5 Significant accounting policies (continued)

5.6 Inventories (continued)

Net realizable value is based on estimated selling price less any estimated cost to completion and disposals.

Goods in transit (shipped by the suppliers before the reporting date and yet not received by the company till the reporting date) is accounted at cost.

5.7 Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that a non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount.

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

5.8 Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

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

5.9 Staff end of service benefits

Provision is made for end-of-service gratuity payable to the staff, subject to the completion of a minimum service period, at the reporting date in accordance with the local labour laws.

5.10 Value Added Tax

The revenue, expenses and assets are recognized net of value-added tax (VAT). In case Input VAT paid to the supplier of asset or expense is not recoverable from the Federal Tax Authority, it is disclosed as part of asset acquired or expense incurred.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from or VAT payable to, Federal Tax Authority is disclosed as other payable or other receivable under current liabilities or current assets in the statement of financial position.

5.11 Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

5 Significant accounting policies (continued)

5.12 Revenue recognition

Sales of goods:
The company is in business carry out manufacturing and trading of metal ropes and was mainly engaged in manufacturing and trading of steel wire ropes, slings, crane pendants, pennant wires and design and supply of mooring systems, lifting slings, marine and lifting equipments and technical support of own products.

Revenue from sale of goods is recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customers and have been accepted by the customers at their premises and there is no unfulfilled obligation that could affect customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and the company has objective evidence that all criteria for acceptance have been satisfied.

The amount of revenue is shown as net of discounts, returns, other similar obligations and VAT as per the performance obligations determined as per the provisions of the contracts with customers.

Commission income:
Commission income is accounted on accrual basis in accordance with the terms of individual contracts.

Interest income:
Interest income is presented as financial income where it is earned from financial assets that are held for cash management purpose.

Other income is accounted on accrual basis.

5.13 Borrowing costs

Finance expense comprises interest expense on bank borrowings and lease liabilities are recognised in statement of comprehensive income.

5.14 Foreign currency transactions

Transactions in foreign currencies are converted into U.A.E. Dirhams at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into U.A.E. Dirhams at the rate of exchange ruling at the reporting date. Resulting gain or loss is taken to the statement of comprehensive income.

5.15 Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of cash and cheques on hand, bank balance in current accounts, deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment.

5.16 Dividend

Dividend is paid out of accumulated profits, when declared.

BRUNTON WIRE ROPES FZCO

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

6 Property, plant and equipment

	Factory building and residential units	*Plant and machinery*	*Furniture and office equipment*	*Motor vehicles*	*Total*
	AED	*AED*	*AED*	*AED*	*AED*
Cost					
At 1 April 2021	8,869,390	23,265,086	973,665	798,637	33,906,778
Additions	-	-	34,337	661,743	696,080
Disposals	-	(671,964)	-	(420,199)	(1,092,163)
Transfer from capital work in progress (refer note 7)	-	3,679,951	11,550	-	3,691,501
At 31 March 2022	8,869,390	26,273,073	1,019,552	1,040,181	37,202,196
Additions	-	316,046	44,880	273,348	634,274
Disposals	(63,980)	(1,044,082)	(516,739)	(55,655)	(1,680,456)
Transfer from capital work in progress (refer note 7)	484,126	2,068,621	161,783	-	2,714,530
At 31 March 2023	**9,289,536**	**27,613,658**	**709,476**	**1,257,874**	**38,870,544**
Accumulated depreciation					
At 1 April 2021	7,579,467	21,168,991	910,685	580,589	30,239,732
Depreciation expense	329,509	871,005	34,965	164,364	1,399,843
Relating to disposals	-	(671,964)	-	(408,438)	(1,080,402)
At 31 March 2022	7,908,976	21,368,032	945,650	336,515	30,559,173
Depreciation expense	219,763	1,065,106	72,176	253,086	1,610,131
Relating to disposals	(63,980)	(919,196)	(516,739)	(55,655)	(1,555,570)
At 31 March 2023	**8,064,759**	**21,513,942**	**501,087**	**533,946**	**30,613,734**
Carrying amount					
At 31 March 2022	960,414	4,905,041	73,902	703,666	6,643,023
At 31 March 2023	**1,224,777**	**6,099,716**	**208,389**	**723,928**	**8,256,810**

BRUNTON WIRE ROPES FZCO

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

6 Property, plant and equipment (continued)

The depreciation charge has been allocated in the statement of comprehensive income as follows:

	2023 AED	2022 AED
Cost of sales (Note 18)	**1,284,869**	1,200,514
Expenses (Note 20)	**325,262**	199,329
	1,610,131	1,399,843

Factory building is constructed on leasehold land (refer note 8).

In the opinion of the management, there was no impairment in respect of any property, plant and equipment. Hence, the fair values of the property, plant and equipment as at 31 March 2023 are the same as their net book values.

7 Capital work in progress

	2023 AED	2022 AED
Cost		
Opening balance	**507,607**	2,812,092
Additions	**2,267,474**	1,393,016
Transfer to maintenance expenses	**-**	(6,000)
Transferred to property, plant and equipment (refer note 6)	**(2,714,530)**	(3,691,501)
	60,551	507,607

Represents the amount paid for machineries, which are not installed / put to use as of the reporting date and installation expected to be completed by June 2023.

8 Leases (the Company as Lessee)

Right-of-use assets

The company has long term operating lease contract for its lease hold land at Plot No MO0301, Jabel Ali Free Zone, Dubai, U.A.E., are on cancellable long term lease. The duration of lease is 10 years commencing from October 2022 to September 2032 with an annual rent of AED 700,000/- (previous lease of 10 years commencing from October 2012 to September 2022 with an annual rent of AED 400,000/-).

BRUNTON WIRE ROPES FZCO

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

8 Leases (the Company as Lessee) (continued)

	Plot of land	*Total*
	AED	*AED*
Cost		
At 1 April 2021	1,239,866	1,239,866
At 31 March 2022	1,239,866	1,239,866
Additions during the year	6,547,929	6,547,929
Disposal during the year	(1,239,866)	(1,239,866)
At 31 March 2023	6,547,929	6,547,929
Accumulated depreciation		
At 1 April 2021	708,494	708,494
Charge for the year	354,247	354,247
At 31 March 2022	1,062,741	1,062,741
Charge for the year	504,520	504,520
Relating to disposal	(1,239,866)	(1,239,866)
At 31 March 2023	327,395	327,395
Carrying amount		
At 31 March 2023	**6,220,534**	**6,220,534**
At 31 March 2022	177,125	177,125

BRUNTON WIRE ROPES FZCO

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

9 Intangible assets

	Computer software *AED*
Cost	
At 1 April 2021	1,117,353
At 31 March 2022	1,117,353
At 31 March 2023	1,117,353
Accumulated amortisation	
At 1 April 2021	744,494
Amortisation expenses	223,471
At 31 March 2022	967,965
Amortisation expenses	149,388
At 31 March 2023	1,117,353
Carrying amount	
At 31 March 2023	-
At 31 March 2022	149,388

10 Inventories

	2023 *AED*	*2022* *AED*
Raw materials and consumables	**19,312,343**	23,810,928
Finished goods	**4,930,724**	5,714,239
Trading goods	**2,119,728**	1,111,406
	26,362,795	30,636,573
Provision for slow moving inventories	**(940,072)**	(2,635,991)
Work in progress	**1,182,399**	1,437,398
Goods in transit	**5,329,284**	10,665,109
	31,934,406	40,103,089

BRUNTON WIRE ROPES FZCO

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

11 Trade and other receivables

	2023 AED	2022 AED
Trade receivables a (refer note 17)	**33,436,502**	31,261,290
Provision for doubtful debts	-	(903,772)
	33,436,502	30,357,518
Advance to suppliers	**880,121**	2,080,502
Deposits	**249,010**	258,897
Prepayments	**931,010**	996,388
Other receivables (refer note 17)	**257,957**	359,322
	35,754,600	34,052,627

*a **Not due:** AED 19,429,734/-, **0-90 days:** AED 11,081,053/-, **91-180 days:** AED 2,889,492/-, **181-365 days:** AED 36,223/-.*

12 Cash and cash equivalents

	2023 AED	2022 AED
Cash on hand	**41,408**	37,511
Bank balances in current accounts	**1,726,986**	3,107,240
Bank balances in term deposit accounts	**303,121**	301,440
Bank balances in margin deposits accounts (refer note 25)	**1,762,251**	1,005,721
	3,833,766	4,451,912

13 Share capital

	2023 AED	2022 AED
Authorised, issued and paid up share capital:		
152 shares of AED 100,000 each	**15,200,000**	15,200,000

BRUNTON WIRE ROPES FZCO

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

14 Trade and other payables

	2023 AED	2022 AED
Trade payables (refer note 17)	**13,656,891**	22,676,615
Advances from customers	**801,857**	926,652
Other payables	**2,734,578**	3,073,753
	17,193,326	26,677,020

15 Bank borrowings

	2023 AED	2022 AED
Import financing	**4,599,579**	10,797,815

Bank borrowings from EXIM bank are secured against:

- *Corporate guarantee of Usha Martin Limited, India (Shareholder).*
- *Pledge of entire stake of Usha Martin Limited, India in the company.*
- *Promissory notes covering value of consignments financed under buyer's credit.*

In addition, there are various conditions and financial covenants attached to the bank facilities, which are in the normal course of business.

16 Lease liabilities

Lease liabilities recognized and maturity analysis:

	31 March 2023 AED	1 April 2022 AED
Amount due for settlement within 12 months		
Not later than 1 year (shown under current liabilities)	**337,469**	195,120
	337,469	195,120
Amount due for settlement after 12 months		
Later than 1 year and not later than 5 years	**3,127,898**	-
Later than 5 years	**2,970,548**	-
	6,098,446	-
	6,435,915	195,120

BRUNTON WIRE ROPES FZCO

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

16 Lease liabilities (continued)

The movement in lease liabilities is as follows:

	2023 *AED*	*2022* *AED*
As at the date of initial application	**195,120**	566,575
Amortization of interest expense during the year	**242,866**	28,545
Additions during the year	**6,547,929**	-
Repayment of lease liabilities during the year	**(550,000)**	(400,000)
As at the end of the year	**6,435,915**	**195,120**

17 Related party transactions

For the purpose of this financial statements, parties are considered to be related to the company, if the company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making party financial and operating decisions, or vice versa, or where the company and the party are subject to common control and includes where the company has significant influence but not control, and generally does not have any controlling shareholding on the entity whose accounts are presented. Related party may be individuals or other entities.

The relationship of related parties is as under –

a) Shareholders

1. Usha Martin Limited, India
2. Usha Martin Americas Inc, USA

b) Companies under common management control

1. Usha Martin UK Limited, UK
2. Usha Siam Steel Industries Public Company Limited, Thailand
3. Usha Martin Singapore Pte Limited, Singapore
4. Brunton Shaw UK Limited, UK
5. Usha Martin Italia Srl, Italy
6. De Ruiter Staalkabel BV, Netherlands
7. Usha Martin Europe BV, Netherlands
8. Eurpoean Management & Marine Corporation, UK

BRUNTON WIRE ROPES FZCO

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

17 Related party transactions (continued)

a) Transactions

During the year, the Company entered into the following transactions with the related parties:

	2023 AED	2022 AED
Sales	**16,403,027**	22,699,400
Purchases and direct expenses (refer note 18)	**72,746,007**	70,835,465
Commission received (refer note 19)	**161,840**	155,719
Administrative expenses (refer note 20)	**385,245**	83,335
Finance costs (refer note 21)	**39,193**	27,033

At the reporting date balances with related parties were as follows:

	2023 AED	2022 AED
Included under current assets:		
Trade receivables	**4,750,134**	8,759,364
Commission receivable	**79,955**	157,847
Included under current liabilities:		
Trade payables	**11,022,920**	20,661,878

18 Cost of sales

Cost of sales includes amount of materials consumed, wages and benefits to labourers, other direct expenses, depreciation on factory building and plant and machinery and right to use assets (refer notes 8, 17 and 20).

19 Other income

	2023 AED	2022 AED
Profit on sale of property, plant and equipment	**63,257**	169,573
Commission received (refer note 17)	**161,840**	155,719
Bank interest income	**889**	1,676
Provisions no longer required written back	**105,583**	116,982
	331,569	443,950

BRUNTON WIRE ROPES FZCO

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

20 Expenses

	2023 AED	2022 AED
Staff salaries and benefits	3,744,960	3,220,833
Rent	414,324	277,193
Depreciation of property, plant and equipment	325,262	199,329
Amortisation of intangible assets	149,388	223,471
Bad debts written off	15,744	-
Provision for slow moving inventories	-	539,091
Provision for doubtful debts	-	512,781
Freight outward and custom duty	5,207,773	5,972,542
Sales commission	663,759	535,938
Other administration expenses (refer note 17)	5,225,628	3,444,675
	15,746,838	14,925,853

21 Finance costs

	2023 AED	2022 AED
Interest charges	584,690	210,834
Finance charges (refer note 17)	118,230	104,156
Interest expense on lease liabilities (refer note 16)	242,866	28,545
	945,786	343,535

22 Cash and cash equivalent for cash flow purpose

	2023 AED	2022 AED
Cash on hand	41,408	37,511
Bank balances in current accounts	1,726,986	3,107,240
	1,768,394	3,144,751

23 Financial instruments: Credit, Market risk and Liquidity risk exposures

The company has exposure to the following risks from its use financial instruments:

a) Credit risk
b) Market risk
c) Liquidity risk

BRUNTON WIRE ROPES FZCO

Notes to the Financial Statements

For the year ended 31 March 2023

23 Financial instruments: Credit, Market risk and Liquidity risk exposures (continued)

a) Credit risk

Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally of trade and other receivables and bank balances.

Trade and other receivables

As at 31 March 2023, the company's maximum exposure to credit risk (other than related parties) from trade receivables situated outside U.A.E., amounted to AED 2,271,265/- due from a customer (previous year AED 1,662,623/- due from a customer) and situated within U.A.E., amounted to AED 7,839,190/- due from four customers (previous year Nil).

There is no significant concentration of credit risk from trade receivables situated outside the industry in which the company operates.

Bank balances

The company's bank balances in current, time and margin deposit accounts is placed with a high credit quality financial institution.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as interest rate risk, exchange rate risk or other price risk, which will affect the company's income or the value of its holding of financial instruments.

Financial instruments affected by market risk include financial assets in the form of loans and receivables only. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Bank borrowings are at floating rates at levels, which are generally obtained in the international market.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant, of the company's profit for the year (through the impact on floating rate borrowings).

	2023		*2022*	
	Changes in basis points	Sensitivity of interest expenses *AED*	Changes in basis points	Sensitivity of interest expenses *AED*
LIBOR/SOFR interest rates	77	35,417	3	3,239

There is no material impact on equity for a change in interest rate.

Exchange rate risk

Except for the following balances, there are no significant exchange rates risks (since the difference as at the reporting date rate has been provided for) as substantially all financial assets and financial liabilities are denominated in U.A.E. Dirhams or US Dollars to which the Dirham is fixed.

BRUNTON WIRE ROPES FZCO

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

23 Financial instruments: Credit, Market risk and Liquidity risk exposures (continued)

Foreign currency risk

The carrying amounts of the BRUNTON WIRE ROPES FZCO's foreign currency denominated monetary assets at the end of the reporting date are as follows:

	2023 AED	2022 AED
Assets		
Euro	**99,228**	445,187
CNY	**465,432**	-
INR	**22,530**	-
	587,190	445,187

The carrying amounts of the BRUNTON WIRE ROPES FZCO's foreign currency denominated monetary liabilities at the end of the reporting date are as follows:

	2023 AED	2022 AED
Liabilities		
Euro	**29,037**	-

The following table illustrates the sensitivity of profit for a reasonable change in foreign exchange rates, with all other variables held constant at 31 March 2023 and 2022.

	2023			2022		
Particulars	Balance	Change in currency rate	Effect on income statement	Balance	Change in currency rate	Effect on income statement
	AED	%	AED	AED	%	AED
Foreign currency assets						
Euro	99,228	+/- 2%	+/- 1,985	445,187	+/- 5%	+/- 22,259
CNY	465,432	+/- 8%	+/- 37,235	-	-	-
INR	22,530	+/- 9%	+/- 2,028	-	-	-
Foreign currency liabilities						
Euro	29,037	+/- 2%	+/- 581	-	-	-

A change in currency rate is considered for the exchange rates have been determined based on the average market volatility in exchange rates in the year 2022-23 and 2021-22 over period of 12 months.

c) *Liquidity risk*

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. The liquidity requirements are monitored on a regular basis by the directors and the management who ensure that sufficient funds are made available to the company to meet any future commitments.

BRUNTON WIRE ROPES FZCO

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

24 Financial instruments: Fair value

Financial instruments comprise of financial assets and financial liabilities. The fair value of the company's financial assets comprising of trade and other receivables and bank balances and financial liabilities comprising of trade and other payables and bank borrowings approximate to their carrying values.

25 Contingent liabilities

	2023 AED	2022 AED
Banker's letters of guarantees (refer note 12)	**1,832,425**	1,162,546

26 Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

Financial statements
Usha Martin Singapore Pte Ltd

31 March 2023

Joe Tan & Associates PAC
Chartered Accountants

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

Company information

Company registration number	199901924M
Registered office	91 Tuas Bay Drive Usha Martin Building Singapore 637307
Directors	Gangopadhyay Tapas Yoong How Wei Shreya Jhawar
Secretary	Tee Pei Chun
Bankers	ICICI Bank Limited, Singapore Branch CIMB Bank Berhad DBS Bank Ltd
Independent auditor	Joe Tan & Associates PAC Public Accountants and Chartered Accountants 1 Coleman Street #05-16 The Adelphi Singapore 179803

Usha Martin Singapore Pte Ltd

Contents

Directors' statement
for the financial year ended 31 March 2023

The directors are pleased to present their statement to the members together with the audited financial statements of Usha Martin Singapore Pte Ltd (the Company) for the financial year ended 31 March 2023.

Opinion of directors

In the opinion of the directors,

(a) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year ended;

(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:

Gangopadhyay Tapas
Yoong How Wei
Shreya Jhawar

Arrangements to enable directors to acquire shares or debentures

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

Directors' interests in shares or debentures

None of the directors of the Company holding office at the reporting date had any interest in the shares or debentures of the Company or any related corporations either at the beginning or end of financial year.

Share options

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

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

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

Directors' statement for the financial year ended 31 March 2023

Auditor

Joe Tan & Associates PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

....
GANGOPADHYAY TAPAS

....
YOONG HOW WEI

09 MAY 2023

Independent auditor's report
to the members of Usha Martin Singapore Pte Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Usha Martin Singapore Pte Ltd (the Company), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2023 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.

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Independent auditor's report to the members of Usha Martin Singapore Pte Ltd (Cont'd)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

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Independent auditor's report
to the members of Usha Martin Singapore Pte Ltd (Cont'd)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory 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.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to the attached Basis of Preparation to the report, which describes the basis of accounting. The report is prepared for the company to submit to Usha Martin Limited. Our report is intended solely for the company and Usha Martin Limited, and should not be distributed to or used by parties other than the company and Usha Martin Limited.

Joe Tan & Assoc PAC

Joe Tan & Associates PAC
Public Accountants and
Chartered Accountants

Singapore

09 MAY 2023

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USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 US$	2022 US$
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,181,442	9,913,134
Right-of-use assets	5	1,904,886	1,786,318
Investment properties	6	1,722,000	1,748,000
Subsidiaries	7	576,810	576,810
Financial assets at fair value through other comprehensive income	8	1,204,842	808,480
Deferred tax assets	19	1,210,203	1,210,203
		16,800,183	16,042,945
Current assets			
Inventories	9	10,522,045	9,049,610
Trade and other receivables	10	6,279,582	3,692,059
Amounts due from related parties	11	3,952,463	4,880,264
Cash and cash equivalents	12	2,752,367	1,814,565
		23,506,457	19,436,498
Total assets		40,306,640	35,479,443
EQUITY AND LIABILITIES			
Equity			
Share capital	13	572,738	572,738
Retained earnings		11,089,310	10,003,613
Asset revaluation reserve		7,024,510	6,632,939
Reserve	14	841,238	444,876
Equity attributable to owners of the Parent		19,527,796	17,654,166
Non-current liabilities			
Bank borrowings	18	4,800,000	5,300,000
Lease liabilities	19	1,488,846	1,416,843
Deferred tax liabilities	20	222,204	124,926
Provision	21	425,663	417,360
		6,936,713	7,259,129
Current liabilities			
Trade and other payables	15	717,413	518,142
Contract liabilities	16	18,307	13,846
Amounts due to related parties	17	12,043,415	9,870,205
Bank borrowings	18	500,000	-
Lease liabilities	19	193,865	163,955
Provision for taxation		369,131	-
		13,842,131	10,566,148
Total liabilities		20,778,844	17,825,277
Total equity and liabilities		40,306,640	35,479,443

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

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	2023 US$	2022 US$
Revenue	**22**	30,908,836	26,073,520
Cost of sales		(25,955,623)	(20,838,762)
Gross profit		4,953,213	5,234,758
Other income	**23**	1,709,882	3,295,288
Marketing and distribution expenses		(29,236)	(16,306)
Administrative expenses		(4,674,269)	(5,920,993)
Finance costs	**24**	(407,484)	(228,270)
Profit before tax	**26**	1,552,106	2,364,477
Income tax (expense)/benefit	**27**	(466,409)	21,335
Profit after tax		1,085,697	2,385,812
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss:			
- Net revaluation surplus on property, plant and equipment		391,571	103,829
- Changes in fair value of financial assets, at FVOCI		396,362	316,231
Other comprehensive income, net of tax		787,933	420,060
Profit for the year, representing total comprehensive income for the year		1,873,630	2,805,872

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

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

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

	Share capital US$	Asset revaluation reserve US$	Reserve US$	Retained earnings US$	Total US$
At 1 April 2021	572,738	6,529,110	128,645	7,617,801	14,848,294
Profit for the year, representing total comprehensive loss for the year	-	-	-	2,385,812	2,385,812
Other comprehensive income for the year:	-	103,829	316,231	-	420,060
Net revaluation surplus on property, plant and equipment	-	103,829	-	-	103,829
Changes in fair value of financial assets, at FVOCI	-	-	316,231	-	316,231
Total comprehensive income for the year	-	103,829	316,231	2,385,812	2,805,872
At 31 March 2022	572,738	6,632,939	444,876	10,003,613	17,654,166
At 1 April 2022	572,738	6,632,939	444,876	10,003,613	17,654,166
Profit for the year, representing total comprehensive loss for the year	-	-	-	1,085,697	1,085,697
Other comprehensive income for the year:	-	391,571	396,362	-	787,933
Net revaluation surplus on property, plant and equipment	-	391,571	-	-	391,571
Changes in fair value of financial assets, at FVOCI	-	-	396,362	-	396,362
Total comprehensive income for the year	-	391,571	396,362	1,085,697	1,873,630
At 31 March 2023	572,738	7,024,510	841,238	11,089,310	19,527,796

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

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

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

	Note	2023 US$	2022 US$
Cash flows from operating activities			
Profit before tax		1,552,106	2,364,477
Adjustments for:			
Depreciation of property, plant and equipment	4	769,836	717,484
Depreciation for right-of-use assets	5	268,045	233,540
Gain on disposal of property, plant and equipment	23	-	(102,995)
Gain on disposal of right-of-use assets	23	(91,732)	-
Fair value loss on investment properties	26	26,000	69,000
Exchange differences		8,303	(1,922)
Provision for impairment loss in trade receivables written back	23	(334,251)	(2,149,560)
Bad debts written off	26	358,735	2,183,102
Write-down in value of inventories	9	(137,825)	(241,580)
Interest expense	26	407,484	228,270
		2,846,901	3,299,816
Inventories		(1,334,810)	(1,860,791)
Trade and other receivables		(2,607,546)	(576,380)
Trade and other payables		199,271	16,280
Net cash (used in)/generated from operating activities		(896,184)	878,925
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(666,573)	(578,578)
Remeasurement adjustment of land lease		(34,534)	-
Proceeds from disposal of property, plant and equipment		-	107,218
Proceeds from disposal of right-of-use assets		213,468	-
Amounts due from related parties		927,801	(1,314,232)
Decrease in placement of security deposit		147,961	700,000
Net cash generated from/(used in) investing activities		588,123	(1,085,592)
Cash flows from financing activities			
Repayment of bank borrowings		-	697,901
Repayment of lease liabilities	A	(371,902)	(272,525)
Amounts due to related parties		2,173,210	(863,826)
Interest paid		(407,484)	(228,270)
Net cash generated from/(used in) financing activities		1,393,824	(666,720)
Net increase/(decrease) in cash and cash equivalents		1,085,763	(873,387)
Cash and cash equivalents at 1 April		1,666,604	2,539,991
Cash and cash equivalents at 31 March	12	2,752,387	1,666,604

Note A - Reconciliation of liabilities arising from financing activities.

The following is the disclosure of the reconciliation of liabilities arising from financing activities, excluding equity items:

		-------------Non-Cash Flow	-------------		----Non-cash changes---		
	1 April US$	Repayment US$	Proceeds US$	Interest payment US$	New lease US$	Interest expense US$	31 March US$
2023							
Bank borrowings	5,300,000	-	-	(325,137)	-	325,137	5,300,000
Lease liabilities	1,580,798	(371,902)	-	(82,347)	473,815	82,347	1,682,711
Amounts due to related parties	9,870,205	-	2,173,210	-	-	-	12,043,415
	16,751,003	(371,902)	2,173,210	(407,484)	473,815	407,484	19,026,126

		-------------Non-Cash Flow	-------------		----Non-cash changes---		
	1 April US$	Repayment US$	Proceeds US$	Interest payment US$	New lease US$	Interest expense US$	31 March US$
2022							
Bank borrowings	4,602,100	(4,602,100)	5,300,000	(141,195)	-	141,195	5,300,000
Lease liabilities	1,651,719	(272,525)	-	(87,074)	201,604	87,074	1,580,798
Amounts due to related parties	10,734,031	-	(863,826)	-	-	-	9,870,205
	16,987,850	(4,874,625)	4,436,174	(228,269)	201,604	228,269	16,751,003

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

2(a) Basis of preparation (Cont'd)

Significant judgements in applying accounting policies

Deferred taxation on investment properties (Note 20)
For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, management has reviewed the Company's investment property portfolios and concluded that the Company's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Company's deferred taxation on investment properties, management has determined that the presumption that investment properties measured using the fair value model are recovered through sale is not rebutted. The Company has not recognised any deferred taxes on changes in fair value of investment properties held in the Republic of Singapore as the Company is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Income tax (Note 20, Note 27)
Significant judgement is involved in determining the provision for income taxes. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is probable that that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. The Company has recognised a deferred tax asset in respect of unabsorbed tax losses of certain subsidiaries in its financial statements which requires judgement for determining the extent of its recoverability at each balance sheet date. The recognition involves best estimation and judgement, including the subsidiaries' future financial performance based on the latest available profit forecasts.

Critical accounting estimates and assumptions used in applying accounting policies

Impairment of non-financial assets (Note 4, Note 5, Note 6)
Property, plant and equipment, right-of-use assets and subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Company to make an estimate of the expected future cash flows from the cash-generating-unit (or company of cash-generating-units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

Useful lives of property, plant and equipment (Note 4)
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. A 5% (2020 - 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately 1% (2020 - 1%) variance in the Company's profit or loss for the financial year.

Provision for expected credit losses ("ECL") for financial assets (Note 10)
The Company uses a provision matrix to calculate ECLs for financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and 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.

<u>Allowances for inventories (Note 9)</u>
A review is made periodically for excess inventory, obsolescence and declines in net realisable value below cost and management records an allowance against the inventory balance for any such declines. These reviews require management to estimate future demand for their products. Possible changes in these estimates could result in revisions to the valuation of inventory. Management is of the view that the allowances disclosed in Note 9 are adequate.

<u>Valuation of investment properties (Note 6)</u>
The Company's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers. The determination of the fair value of investment property requires the use of historical transaction comparables and estimates such as future cash flows from assets and capitalisation rates applicable to those assets.

2(b) Adoption of new and amended standards and interpretations

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

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.

2(b) Adoption of new and amended standards and interpretations (Cont'd)

The following are new / revised / amendments to FRSs issued by the Accounting Standards Council of Singapore up to 31 December 2022 which are effective for annual reporting periods beginning after 1 January 2022:

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
FRS 117 *Insurance Contracts*	1 January 2023
Amendments to FRS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 116 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

2(c) Summary of significant accounting policies

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, all other property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation.

2(c) Summary of significant accounting policies (Cont'd)

Property, plant and equipment (Cont'd)

Leasehold premises are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuation is performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the leasehold premises at the end of the reporting period. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

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

Leasehold premises	30 years
Furniture and fittings	10 years
Office equipment	8 years
Computer and peripherals	1 year
Motor vehicles	5 years
Plant and machinery	10 years
Renovations	3 years

The residual values, estimated useful lives and depreciation methods are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

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

Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2(c) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

The Company as lessee (Cont'd)

Lease liability (Cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Company has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented within "borrowings" in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

2(c) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leased office premises	16.75 years
Motor vehicles	5 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meet the definition of investment property) are presented within "property, plant and equipment" in the statement of financial position.

A right-of-use asset which meets the definition of an investment property is presented within "investment properties" in the statement of financial position.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Investment properties

Investment properties are properties held to earn rental income and/or for capital appreciation and are not occupied by the Company.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2(c) Summary of significant accounting policies (Cont'd)

Investment properties (Cont'd)

Transfers

Transfers to, or from, investment properties are made where there is a change in use, evidenced by:

- possession of financial ability to retain the properties with a view to earn rental income and capital appreciation, for a transfer from properties under development to investment properties;
- commencement of owner-occupation, for a transfer from investment properties to property, plant and equipment;
- commencement of development with a view to sell, for a transfer from investment properties to development properties; and
- end of owner-occupation, for a transfer from property, plant and equipment to investment properties.

Financial instruments

(I) Financial assets

Initial recognition and measurement

Financial assets are recognised when, only when the entity becomes party to the contractual provisions of the instruments. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

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

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

2(c) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains or losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Subsequent measurement of debt instruments depends on the Company's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding the asset.

The three measurement categories for classification of debt instruments are:

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 amortisation process.

The Company's financial assets at amortised cost includes trade receivables, and contract asset.

Financial assets designated at fair value through OCI (equity instruments)

The Company subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument – by – instrument basis. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been 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 OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non – listed equity investments under this category.

2(c) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Financial assets at fair value through profit and loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investment which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity instruments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derivatives
A derivative embedded in a hybrid contract, with a financial liability or non – financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instruments with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit and loss.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would be otherwise Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2(c) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost and FVOCI. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, tbe Company measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward – looking factors specific to the debtors and the economic environment.

2(c) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(I) Financial assets (Cont'd)

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

The Company considers a financial asset in default when contractual payments are 90 days 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.

(II) 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 through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

2(c) Summary of significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(II) Financial liabilities (Cont'd)

Subsequent measurement (Cont'd)

Financial liabilities at fair value through profit or loss (Cont'd)
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 109 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities that not carried at fair value through profit or loss
After initial recognition, financial liabilities that are not carried at fair value through profit or loss such as interest – bearing loans and borrowings 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.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well through the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the effective interest rate method. The effective interest rate method amortisation is included as finance costs in the statement of profit or loss.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(III) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and bank balances, net of bank deposit pledged.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in-first-out method.

Net realisable value is based on estimated selling prices in less any estimated costs to be incurred to completion and disposal.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount s estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the asset belongs will be identified.

2(c) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

For the purpose of assessing impairment, assets are companyed at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indicators that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the statement of profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss has been recognised. A reversal of impairment loss is recognised in the statement of comprehensive income.

Revenue recognition

Sale of goods
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.

Interest income
Interest income is recognised using the effective interest method.

Rental income
Rental and related income from operating leases on investment properties are recognised on a straight-line basis over the lease term.

Income tax

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

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 substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

2(c) Summary of significant accounting policies (Cont'd)

Income tax (Cont'd)

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future; and

- In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 at the balance sheet date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model in countries where there is no capital gain tax, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale.

Current and deferred income tax are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

<u>Short-term employee benefits</u>
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 under short-term cash bonus 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.

2(c) Summary of significant accounting policies (Cont'd)

Employee benefits (Cont'd)

Defined contribution plans
Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the period in which the related service is performed.

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

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors (and certain general managers) are considered key management personnel.

Related parties

A related party is a person or entity that is related to the Company and includes:

(a) A person or a close member of that person's family which is related to a reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity which is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a company of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party;
- (v) The entity is a post-employment benefit plant for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
- (vi) The entity is controlled or jointly controlled by a person identified in (a); or
- (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 company of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Foreign currency

Foreign currency transactions and balances
Transactions in foreign currencies are translated to the respective functional currencies of the Company entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated in terms of historical cost in a foreign currency are translated using the closing exchange rate at the reporting date.

2(c) Summary of significant accounting policies (Cont'd)

Foreign currency (Cont'd)

Foreign currency transactions and balances (Cont'd)
Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rate s at the date when fair values are determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section Financial instruments - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Government grants

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

Where 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.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3 Significant accounting judgements 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 require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgement made in applying accounting policies

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.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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 useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful lives will be adjusted accordingly. The carrying amounts of the Company's property, plant and equipment as at 31 March 2023 were US$10,181,442 (2022: US$9,913,134) respectively.

3 Significant accounting judgements and estimates (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(ii) Impairment of property, plant and equipment

The property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company assesses impairment of these assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of these assets is estimated to determine the impairment loss. The Company evaluates the recoverable amount of these assets based on the net present value of future cash flows (value in use) derived from such assets using cash flow projections which have been discounted at an appropriate rate.

As at 31 March 2023, no allowance for impairment loss of the property, plant and equipment was made for the financial year ended 31 March 2023 as the recoverable amount was in excess of the carrying amount.

(iii) Impairment of investment in subsidiaries

At the end of the financial year, an assessment is made on whether there is indication that the investment in subsidiaries is impaired. The management's assessment is based on the estimation of the value-in-use of the CGU by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investment in subsidiaries as at 31 March 2023 was US$576,810 (2022: US$576,810).

(iv) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amounts of the Company's inventories as at 31 March 2023 were US$10,522,045 (2022: US$9,049,610) respectively.

(v) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for companyings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

3 Significant accounting judgements and estimates (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(v) Provision for expected credit losses of trade receivables (Cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 10.

The carrying amount of the Company's trade receivables as at 31 March 2023 were S$5,909,944 (2022: US$3,249,018) respectively.

(vi) Provision for income taxes

The Company recognise liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The provision for the Company's income tax as at 31 March 2023 were US$369,131 (2022: US$Nil) respectively.

Notes to the financial statements for the financial year ended 31 March 2023

4 Property, plant and equipment

Company	Leasehold premises US$	Furniture and fittings US$	Office equipment US$	Plant and machinery US$	Computer and peripherals US$	Motor vehicles US$	Renovations US$	Total US$
Cost								
At 1 April 2021	11,142,691	340,597	21,255	2,602,039	29,901	384,511	261,409	14,782,403
Additions	13,518	40,443	9,809	405,664	4,027	-	105,117	578,578
Revaluation	103,829	-	-	-	-	-	-	103,829
Transfer to investment property	1,132,000	-	-	-	-	-	-	1,132,000
Disposals	-	-	-	-	-	(219,287)	-	(219,287)
At 31 March 2022	**12,392,038**	**381,040**	**31,064**	**3,007,703**	**33,928**	**165,224**	**366,526**	**16,377,523**
Additions	-	-	-	**652,108**	**14,465**	-	-	**666,573**
Revaluation	**391,571**	-	-	-	-	-	-	**391,571**
At 31 March 2023	**12,783,609**	**381,040**	**31,064**	**3,659,811**	**48,393**	**165,224**	**366,526**	**17,435,667**
Accumulated depreciation								
At 1 April 2021	2,823,191	326,145	21,255	2,110,872	25,214	272,901	248,391	5,827,969
Depreciation for the year	468,797	5,358	2,387	131,466	6,402	79,853	23,221	717,484
Transfer to investment property	134,000	-	-	-	-	-	-	134,000
Disposals	-	-	-	-	-	(215,064)	-	(215,064)
At 31 March 2022	**3,425,988**	**331,503**	**23,642**	**2,242,338**	**31,616**	**137,690**	**271,612**	**6,464,389**
Depreciation for the year	**529,221**	**8,322**	**4,542**	**172,377**	**9,219**	**27,534**	**38,621**	**789,836**
At 31 March 2023	**3,955,209**	**339,825**	**28,184**	**2,414,715**	**40,835**	**165,224**	**310,233**	**7,254,225**
Net book value								
At 31 March 2022	8,966,050	49,537	7,422	765,365	2,312	27,534	94,914	9,913,134
At 31 March 2023	**8,828,400**	**41,215**	**2,880**	**1,245,096**	**7,558**	**-**	**56,293**	**10,181,442**

5 Right-of-use assets

The Company	Motor vehicles US$	Office Leases US$	Total US$
Cost			
At 1 April 2021	786,901	1,313,411	2,100,312
Additions	201,604	-	201,604
At 31 March 2022	**988,505**	**1,313,411**	**2,301,916**
Additions	**473,815**	-	**473,815**
Disposals	**(260,861)**	-	**(260,861)**
Adjustment	-	**34,534**	**34,534**
At 31 March 2023	**1,201,459**	**1,347,945**	**2,549,404**
Accumulated depreciation			
At 1 April 2021	146,320	135,738	282,058
Depreciation	167,192	66,348	233,540
At 31 March 2022	**313,512**	**202,086**	**515,598**
Depreciation	**200,982**	**67,063**	**268,045**
Disposals	**(139,125)**	-	**(139,125)**
At 31 March 2023	**375,369**	**269,149**	**644,518**
Carrying amount			
At 31 March 2022	674,993	1,111,325	1,786,318
At 31 March 2023	**826,090**	**1,078,796**	**1,904,886**

As at 31 March 2023, motor vehicles with carrying amount of US$826,090 (2022: S$674,993) were acquired under finance lease arrangements.

During the financial year, the Company acquired motor vehicles with an aggregate cost of US$473,815 (2022: US$201,604) by means of finance leases.

6 Investment properties

	2023 US$	2022 US$
At 1 April	**1,748,000**	2,815,000
Fair value change	**(26,000)**	(69,000)
Transfer to property, plant and equipment	-	(998,000)
At 31 March	**1,722,000**	1,748,000

The investment property is carried at fair value at the end of the reporting period as determined by an independent firm of professional valuers who have appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair values are made annually based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Investment property is valued on a highest and best use basis. The current use of the Company's investment property is considered to be the highest and best use, unless there is evidence to the contrary.

6 Investment properties (Cont'd)

The fair value of investment property, classified as Level 3, has been derived using the direct comparison method which is checked against the fair value derived from the capitalisation method. The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach involves the estimation and projection of net rental incomes over a period and discounting them to present value.

The investment property is leased to non-related parties under-operating leases.

The carrying amount of investment property approximates its fair value.

The following amounts are recognised in profit or loss:

	2023 US$	2022 US$
Rental income	**157,196**	234,690
Direct operating expenses arising from investment property that generated rental income	**11,767**	15,703

7 Subsidiaries

	2023 US$	2022 US$
Unquoted equity shares, at cost	**1,076,810**	1,076,810
Less: Impairment loss	**(500,000)**	(500,000)
	576,810	576,810
Allowance for impairment loss:		
At 1 April/31 March	**500,000**	500,000

There were no indicators that the impairment loss previously recognised may have decreased or no longer existed.

The details of the subsidiaries are as follows:

Names of subsidiaries	Country of incorporation		Principal activities	Effective equity interest held by the Group 2023 %	2022 %
Usha Martin Australia Pty Ltd	Australia	(1)	Importing and selling steel wire ropes	**100%**	100%
Usha Martin Vietnam Company Limited	Vietnam	(2)	Importing and selling steel wire ropes	**100%**	100%
PT Usha Martin Indonesia	Indonesia	(3)	Importing and selling steel wire ropes	**100%**	100%
Usha Martin China Co. Ltd	People's Republic of China	(4)	Importing and selling steel wire ropes	**100%**	100%

7 Subsidiaries (Cont'd)

(1) Audited by Page Harrison & Co Chartered Accountants Co Ltd
(2) Audited by U and I Certified Public Accountants
(3) Audited by Joe Tan & Associates PAC for consolidation purposes
(4) Audited by SBA Stone Forest Certified Public Accountants Co Ltd

8 Financial assets at fair value through other comprehensive income

	2023 US$	2022 US$
Current assets		
Unquoted shares in fellow subsidiaries		
Equity instrument designated at FVOCI	**808,480**	492,249
Fair value gain during the year	**396,362**	316,231
	1,204,842	808,480

Determination of fair value
As the unquoted equity investments are not publicly traded, as at 31 March 2023, the fair values presented are determined based on the discounted cash flow calculations of the underlying investees.

9 Inventories

	2023 US$	2022 US$
Finished goods, at net realisable value	**9,734,757**	8,932,028
Stock-in-transit, at cost	**787,288**	117,582
	10,522,045	9,049,610

During the year ended 31 March 2023, the cost of inventories recognised as an expense and included in cost of sales in the statement of comprehensive income was US$25,811,877 (2022 – US$20,796,170).

During the year ended 31 March 2023, write-down in the value of inventories were US$22,107 (2022 - US$66,751).

The Company has reversed US$ 159,732 (2022 - US$308,331) being part of the inventories write down in prior years to current year profit or loss due to the inventories sold above its carrying amount. The reversal is included in the cost of sales.

10 Trade and other receivables

	2023 US$	2022 US$
Trade receivables		
- Third parties	**5,943,486**	3,282,560
Less: Impairment loss	**(33,542)**	(33,542)
	5,909,944	3,249,018
Other receivables		
- Deposits	**12,274**	9,679
- Sundry receivables	**1,887**	1,136
Financial assets at amortised cost	**5,924,105**	3,259,833
- Prepayments	**38,012**	218,119
- Goods and services tax receivable	**253,172**	115,100
- Withholding tax	**64,293**	99,007
	6,279,582	3,692,059

Trade receivables are unsecured, non-interest bearing and have credit terms of 30 to 120 days (2022 - 30 to 120 days).

They are recognised at their original invoice amounts which represents their fair values on initial recognition.

The carrying amount of trade and other receivables approximate their fair values.

Trade and other receivables are denominated in the following currencies:

	2023 US$	2022 US$
Singapore dollar	**306,195**	155,043
United States dollar	**5,973,254**	3,536,877
Indonesian rupiah	**133**	139
	6,279,582	3,692,059

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2023 US$	2022 US$
At 1 April	**(33,542)**	-
Impairment loss recognised	**-**	(33,542)
At 31 March	**(33,542)**	(33,542)

Notes to the financial statements for the financial year ended 31 March 2023

11 Amounts due from related parties

	2023 US$	2022 US$
Amounts due from:		
- Ultimate holding company		
(other transactions)	**8,100**	47,122
- Subsidiary company		
(trade)	**3,734,731**	4,954,508
(other transactions)	**83,988**	56,145
- Related Companies		
(trade)	**54,460**	151,815
(other transactions)	**71,184**	4,925
	3,952,463	5,214,515
Less: Impairment loss reversed	**-**	(334,251)
	3,952,463	4,880,264

Expected credit losses

The movement in allowance for expected credit losses of amounts due from related parties computed based on lifetime ECL was as follows:

Movements in impairment loss:

	2023 US$	2022 US$
At 1 April	**334,251**	2,483,811
Impairment loss reversed	**(334,251)**	(2,149,560)
At 31 March	**-**	334,251

Non-trade amounts due from related parties, comprising mainly advances, are interest free, unsecured and repayable on demand.

Amounts due from related parties are denominated in the following currencies:

	2023 US$	2022 US$
United States dollar	**3,130,549**	4,880,264
Singapore dollar	**737,926**	-
Australian dollar	**83,988**	-
	3,952,463	4,880,264

12 Cash and cash equivalents

	2023 US$	2022 US$
Cash at banks	**2,744,143**	1,810,410
Cash on hand	**8,224**	4,155
	2,752,367	1,814,565

The carrying amounts of cash and cash equivalents approximate their fair values.

12 Cash and cash equivalents (Cont'd)

Cash and bank balances are denominated in the following currencies:

	2023 US$	2022 US$
Singapore dollar	**500,241**	734,223
United States dollar	**2,252,126**	1,080,342
	2,752,367	1,814,565

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2023 US$	2022 US$
Cash at banks	**2,744,143**	1,810,410
Cash on hand	**8,224**	4,155
Less : Bank balance pledged for security deposit	**-**	(147,961)
	2,752,367	1,666,604

Bank balance is pledged as security for security deposit for performance of obligations under contract agreement with a customer.

13 Share capital

	2023 US$	2022 US$
Issued and fully paid, with no par value		
1,000,000 ordinary shares	**572,738**	572,738

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meeting. All shares rank equally with regard to the Company's residual assets. The shares have no par value.

14 Reserve

The reserve comprises the cumulative net changes in the fair value of FVOCI financial assets until the investments are derecognised.

15 Trade and other payables

	2023 US$	2022 US$
Trade payables	**106,353**	34,034
Accruals	**297,931**	310,996
Other payables	**313,129**	173,112
	717,413	518,142

15 Trade and other payables (Cont'd)

Trade payables are unsecured, non-interest bearing and are generally on 30 to 90 (2022: 30 to 90) days terms.

Other payables are non-trade in nature, unsecured, interest-free and have no fixed terms of repayment.

The carrying amounts of trade and other payables approximate their fair values.

Trade and other payables are denominated in the following currencies:

	2023 US$	2022 US$
United States dollar	**200,215**	-
Singapore dollar	**517,198**	518,142
	717,413	518,142

16 Contract liabilities

Contract liability relating to those upfront payment by customers for the purchase of goods.

	2023 US$	2022 US$
At 1 April	**13,846**	21,867
Revenue recognised against the contract liability	**(11,645)**	(21,600)
Advance received/ repaid during the year	**16,106**	13,579
At 31 March	**18,307**	13,846

Contract Liabilities are denominated in the following currencies:

	2023 US$	2022 US$
United States Dollar	**12,432**	266
Singapore dollar	**5,875**	13,580
	18,307	13,846

17 Amounts due to related parties

	2023 US$	2022 US$
Amounts due to:		
- Ultimate holding company		
(trade)	**6,071,968**	5,723,408
(non trade)	**10,853**	3,592
- Related Companies		
(trade)	**4,473,924**	2,656,535
- Subsidiaries Companies		
(trade)	**1,486,670**	1,486,670
	12,043,415	9,870,205

17 Amounts due to related parties (Cont'd)

Non-trade amounts due to related parties, comprising mainly advances, are interest free, unsecured and repayable on demand.

The carrying amounts from amounts due to related parties approximate their fair values.

Amounts due to related parties are denominated in the following currencies:

	2023 US$	2022 US$
United States Dollar	**11,924,866**	9,870,205
Euro	**118,549**	-
	12,043,415	9,870,205

18 Bank borrowings

	2023 US$	2022 US$
Bank loans		
- Current	**500,000**	-
- Non-current	**4,800,000**	5,300,000
	5,300,000	5,300,000

The loan is secured by a mortgage over the building at 91 Tuas Bay Drive, Singapore 637307, fixed and floating charge over the assets of the Company, assignment of rental in respect of the Company's investment property and bank balance, and letter of comfort of the ultimate holding company.

Bank loan bears interest from 3.41% to 7.52% (2022 – 3.41% to 3.50%) per annum and is denominated in United States dollars.

19 Lease liabilities

	2023 US$	2022 US$
Presented as:		
- Current	**193,865**	163,955
- Non-Current	**1,488,846**	1,416,843
	1,682,711	1,580,798
Undiscounted lease payments due:		
- within 1 year	**282,550**	245,761
- within 2 to 5 years	**821,681**	721,925
- after 5 years	**1,258,776**	1,310,109
	2,363,007	2,277,795
Less: Unearned interest cost	**(680,296)**	(696,997)
Lease Liabilities (Note 30(b))	**1,682,711**	1,580,798

The effective interest rates charged during the financial year range from 3.78% to 5.24% (2022: 3.78% to 4.36%) per annum.

All leases are on a fixed repayment basis. The finance obligations are secured by the underlying assets. (Note 5).

20 Deferred tax assets/liabilities

	2023 US$	2022 US$
Deferred tax liabilities		
At 1 April	**124,926**	146,445
Movement in temporary differences	**97,278**	(21,519)
At 31 March	**222,204**	124,926

Deferred tax liabilities relate to property, plant and equipment.

	2023 US$	2022 US$
Deferred tax assets		
At 1 April	**1,210,203**	1,233,656
Movement in temporary differences	**-**	(23,453)
At 31 March	**1,210,203**	1,210,203

21 Provision

	2023 US$	2022 US$
Gratuity		
At 1 April	**417,360**	419,281
Exchange Differences	**8,303**	(1,921)
At 31 March	**425,663**	417,360

22 Revenue

	2023 US$	2022 US$
Sale of steel wire ropes (At a point in time)	**30,908,836**	26,073,520

23 Other income

	2023 US$	2022 US$
Gain on disposal of property, plant and equipment	**-**	102,995
Gain on disposal of right-of-use assets	**91,732**	-
Management fee income	**716,130**	690,918
Other income	**398,249**	80,196
Provision for impairment loss in trade receivables written back	**334,251**	2,149,560
Rental income	**145,428**	234,690
Government grant income	**20,700**	36,929
Investment income	**3,392**	-
	1,709,882	3,295,288

23 Other income (Cont'd)

(a) Government grant income relates to property tax rebates and cash grant received from the Singapore Government to help businesses deal with the impact from COVID-19. For the property tax rebates, the Company is obliged to pass on the benefits to its tenants and has transferred these to the tenants in form of rent rebates during the current financial year. For the cash grant, the Company is obliged to waive up to two months of rental to eligible tenants.

(b) Government grant expense relates to the property tax rebates received from the Singapore Government that were transferred to tenants in the form of rent rebates during the year and rental waivers provided to eligible tenants as part of the qualifying conditions of the cash grant.

(c) Grant income of US$Nil (2022: US$15,896) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

24 Finance costs

	2023 US$	2022 US$
Interest expense - lease liability	**68,031**	70,992
Interest on Hire Purchase	**14,316**	16,083
Interest on Loan	**325,137**	141,195
	407,484	228,270

25 Professional fees

	2023 US$	2022 US$
Assurance services	**33,910**	33,962
Other services	**67,469**	4,449
	101,379	38,411

Notes to the financial statements for the financial year ended 31 March 2023

26 Profit before taxation

The following items have been included in arriving at profit before taxation:

	2023 US$	2022 US$
Fair value loss on investment property	26,000	69,000
Key management personnel - Directors' remuneration	588,735	508,242
Salaries, wages and other related costs	1,442,979	1,328,303
Contribution to defined contribution plans	189,933	177,549
	2,221,647	2,014,094
Foreign exchange loss	4,158	20,086
Allowance for expected credit loss (Note 10)	-	33,542
Bad debts written off	358,735	2,183,102
Depreciation of plant and equipment (Note 4)	789,836	717,484
Depreciation of right-of-use assets (Note 5)	268,045	233,540
Interest on loan	325,137	141,195
Interest on right-of-use assets	68,031	70,992
Interest on hire-purchase	14,316	16,083
	407,484	228,270

27 Income tax (expense)/benefit

	2023 US$	2022 US$
Current tax expense		
Current taxation	369,131	-
Over provision of income tax in prior years	-	(23,269)
Deferred tax expense		
Movements in temporary differences (Note 20)	97,278	1,934
	466,409	(21,335)

Reconciliation of effective tax rate:

	2023 US$	2022 US$
Profit before taxation	1,552,106	2,364,477
Tax using the Singapore tax rate of 17% (2022 - 17%)	263,858	401,961
Non-deductible expenses	141,391	99,020
Non-taxable income	(16,171)	-
Utilisation of unutlised losses brought forward	-	(522,500)
Over provision of income tax in prior years	-	(23,269)
Statutory stepped income exemption	(13,131)	-
Tax effect on temporary differences	97,278	1,934
Others	(6,816)	21,519
	466,409	(21,335)

28 Related party transactions

Other than as disclosed elsewhere in the financial information, significant transactions with related parties are as follows:

	2023 US$	2022 US$
Purchases		
Usha Martin Limited	**15,092,956**	12,234,649
Usha Siam Steel Industries Co. Ltd	**9,590,334**	8,767,498
Brunton Shaw UK	**1,154,509**	884,024
Brunton Wolf Wire Ropes FZCO	**81,754**	-
De Ruiter Staakabel B.V	**125,579**	-
Sales		
Usha Martin Limited	**7,500**	-
Usha Siam Steel Industries Co. Ltd	**-**	34,980
De Ruiter Staakabel B.V	**787,847**	439,454
Brunton Wolf Wire Ropes FZCO	**174,411**	108,922
Usha Martin Australia Pty Ltd	**3,232,809**	2,475,104
PT Usha Martin Indonesia	**6,698,173**	5,909,511
Usha Martin Vietnam Co Ltd	**1,435,582**	1,927,043
Marketing consultation fee		
Usha Martin Limited	**29,236**	16,306
Investment income		
Usha Siam Steel Industries Co. Ltd	**3,392**	-
Management fee income		
Usha Martin Australia Pty Ltd	**103,408**	110,825
PT Usha Martin Indonesia	**604,550**	580,093

29 Key management personnel compensation

Key management personnel compensation included in staff costs (Note 26) is as follows:

	2023 US$	2022 US$
Director's remuneration	**336,226**	219,308
Director's welfare	**215,393**	266,682
Director's accommodation	**37,116**	22,252
	588,735	508,242

30 Leases

The Company as a lessee

The Company has lease contracts for land and motor vehicles. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Details of right-of-use assets are disclosed in Note 5.

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 19 and the statements of cash flows respectively and the maturity analysis of lease liabilities is disclosed under liquidity risk in Note 32.

(c) Amounts recognised in profit or loss

	2023 US$	2022 US$
Depreciation of right-of-use assets	**268,045**	233,540
Interest expense on lease liabilities	**82,347**	87,075
Total amount recognised in profit or loss	**320,615**	320,615

(d) Total cash outflow

The Company had total cash outflows for leases of US$454,249 in 2023 (2022: US$359,599).

The Company as a lessor

The Company has entered into operating leases on its investment property consisting of office premises (Note 6). These leases are negotiated for terms of two years. All leases include a clause to enable upward revision of the rental charge on renewal basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the property.

Rental income from investment property is disclosed in Note 23.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting date are as follows:

	2023 US$	2022 US$
Within one year	**108,515**	159,598
Within two to five years	**-**	146,298
	108,515	305,896

31 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

31 Capital management (Cont'd)

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2023 and 31 March 2022.

The Company monitors capital using Gearing Ratio which is defined as net debt divided by total capital. Net debt is calculated as total liabilities less cash and bank balances. Total capital is calculated as equity plus net debt.

	2023 US$	2022 US$
Total liabilities	**20,778,844**	17,825,277
Less:		
Cash and bank balances	**(2,752,367)**	(1,814,565)
Net debt	**18,026,477**	16,010,712
Total equity	**19,527,796**	17,654,166
Capital and net debt	**37,554,273**	33,664,878
Gearing Ratio	**48%**	48%

32 Financial risk management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks relevant to the Company include foreign currency risk, credit risk and liquidity risk.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	Financial assets at fair value through comprehensive income US$	Financial assets at amortised cost US$	Financial liabilities at Amortised Cost US$	Total US$
31 March 2023				
Financial assets				
Financial assets at fair value through comprehensive income (Note 8)	1,204,842	-	-	1,204,842
Trade and other receivables # (Note 10)	-	5,924,105	-	5,924,105
Amounts due from related parties (Note 11)	-	3,952,463	-	3,952,463
Cash and bank balances (Note 12)	-	2,752,367	-	2,752,367
	1,204,842	12,628,935	-	13,833,777
Financial liabilities				
Trade and other payables (Note 15)	-	-	717,413	717,413
Amounts due to related parties (Note 17)	-	-	12,043,415	12,043,415
Bank borrowings (Note 18)	-	-	5,300,000	5,300,000
Lease liabilities (Note 19)	-	-	1,682,711	1,682,711
	-	-	19,743,539	19,743,539

Exclude prepayments, goods and services tax receivables and withholding tax.

32 Financial risk management (Cont'd)

	Financial assets at fair value through comprehensive income US$	Financial assets at amortised cost US$	Financial liabilities at amortised cost US$	Total US$
31 March 2022				
Financial assets				
Financial assets at fair value through comprehensive income (Note 8)	808,480	-	-	808,480
Trade and other receivables # (Note 10)	-	3,259,833	-	3,259,833
Amounts due from related parties (Note 11)	-	4,880,264	-	4,880,264
Cash and bank balances (Note 12)	-	1,814,565	-	1,814,565
	808,480	9,954,662	-	10,763,142
Financial liabilities				
Trade and other payables (Note 15)	-	-	518,142	518,142
Amounts due to related parties (Note 17)	-	-	9,870,205	9,870,205
Bank borrowings (Note 18)	-	-	5,300,000	5,300,000
Lease liabilities (Note 19)	-	-	1,580,798	1,580,798
	-	-	17,269,145	17,269,145

Exclude prepayments, goods and services tax receivables

Foreign currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currencies of the respective Company entities. The currencies in which these transactions primarily are denominated are the Singapore dollars ("SGD") and United States dollars ("USD").

Sensitivity analysis
A 5% (2022 - 5%) strengthening of the above currencies against the functional currencies of the Company entities at the reporting date would have increased/decreased profit before tax and equity by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects.

A 5% (2022 - 5%) weakening of the above currencies against the functional currencies of the Company entities at the reporting date would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

	2023 US$	2022 US$
Currencies strengthened against the functional currencies of the Company		
SGD strengthened by 5%		
Increase/(Decrease)		
- Profit before taxation	**(12,007)**	(17,216)
- Equity	**12,007**	17,216

32 Financial risk management (Cont'd)

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 risk arises from its variable rate bank borrowing.

The Company does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity.

Cash flow sensitivity analysis for variable rate instruments

For the variable rate financial assets and liabilities, a 50 basis points change in interest rates at the reporting date would have increase/decreased profit before tax and equity by amounts as shown below. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	2023 US$	2022 US$
Profit before taxation		
- Increase/(decrease)	**26,500**	26,500
Equity		
- Increase/(decrease)	**(26,500)**	(26,500)

Market risk

Market price 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 prices.

The Company is not exposed to any movement in price risk as it does not hold any quoted or marketable financial instruments.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables.

At the reporting date, other than as disclosed in the ageing analysis in Note 10, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

At the reporting date there is no significant concentration of credit risk in respect of trade and other receivables.

32 Financial risk management (Cont'd)

Credit risk (Cont'd)

Exposure to credit risk
The tables below detail the credit quality of the Company's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Measurement method	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
31 March 2023					
Trade and other receivables (Note 10)	(1),(2)	Lifetime ECL	**5,957,647**	**(33,542)**	**5,924,105**
Amounts due from related parties (Note 11)	(3)	Lifetime ECL	**3,952,463**	**-**	**3,952,463**
31 March 2022					
Trade and other receivables (Note 10)	(1),(2)	Lifetime ECL	3,293,375	(33,542)	3,259,833
Amounts due from related parties (Note 11)	(3)	Lifetime ECL	5,214,515	(334,251)	4,880,264

(1) Trade receivables
Loss allowance for trade receivables is measured at an amount equal to lifetime ECL. The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

(2) Other receivables
Loss allowance for other receivables is measured at an amount equal to lifetime ECL, which is consistent with the approach adopted for trade receivables. The ECL on other receivables are estimated by reference to track records of the counterparties, their business and financial conditions where information is available and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for other receivables was required.

(3) Amounts due from related parties
The amounts due from related parties are considered to have low credit risk. As the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of advances to assist with the related parties' cash flow management is in line with the Company capital management. There has been no significant increase in the credit risk of the amounts due from related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of the related parties.

Cash at bank
Cash is held with banks of good credit rating.

32 Financial risk management (Cont'd)

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand- by credit facilities.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flow, including estimated interest payments.

	Carrying amount US$	Total US$	Within 1 year US$	Within 2 to 5 years US$	More than 5 years US$
At 31 March 2023					
Financial assets					
Trade and other receivables # (Note 10)	**5,924,105**	**5,924,105**	**5,924,105**	-	-
Amounts due from related parties (Note 11)	**3,952,463**	**3,952,463**	**3,952,463**	-	-
Cash and bank balances (Note 12)	**2,752,367**	**2,752,367**	**2,752,367**	-	-
	12,628,935	**12,628,935**	**12,628,935**	-	-
Financial Liabilities					
Trade and other payables (Note 15)	**717,413**	**717,413**	**717,413**	-	-
Amounts due to related parties (Note 17)	**12,043,415**	**12,043,415**	**12,043,415**	-	-
Bank borrowings (Note 18)	**5,300,000**	**6,599,512**	**894,840**	**5,704,672**	-
Lease liabilities (Note 19)	**1,682,711**	**2,363,007**	**282,550**	**821,681**	**1,258,776**
	19,743,539	**21,723,347**	**13,938,218**	**6,526,353**	**1,258,776**
Total net undiscounted financial liabilities	**(7,114,604)**	**(9,094,412)**	**(1,309,283)**	**(6,526,353)**	**(1,258,776)**
At 31 March 2022					
Financial assets					
Trade and other receivables # (Note 10)	3,259,833	3,259,833	3,259,833	-	-
Amounts due from related parties (Note 11)	4,880,264	4,880,264	4,880,264	-	-
Cash and bank balances (Note 12)	1,814,565	1,814,565	1,814,565	-	-
	9,954,662	9,954,662	9,954,662	-	-
Financial Liabilities					
Trade and other payables (Note 15)	518,142	518,142	518,142	-	-
Amounts due to related parties (Note 17)	9,870,205	9,870,205	9,870,205	-	-
Bank borrowings (Note 18)	5,300,000	5,715,750	172,362	3,855,508	1,687,880
Lease liabilities (Note 19)	1,580,798	2,277,795	245,761	721,925	1,310,109
	17,269,145	18,395,738	10,820,316	4,577,433	2,997,989
Total net undiscounted financial liabilities	(7,314,483)	(8,441,076)	(865,654)	(4,577,433)	(2,997,989)

Exclude prepayments, goods and services tax receivables and withholding tax.

33 Fair value measurement

Definition of fair value
FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement of financial instruments
The carrying values of variable rate bank loan approximates its fair value.

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, balances with related parties, cash and cash equivalents, and trade and other payables) approximate their fair values because of the short period to maturity.

Finance lease liabilities
The carrying amounts of finance lease liabilities approximate fair value as they bear interest at rates which approximate the current incremental borrowing rates for similar types of lending and borrowing arrangements.

Fair value measurement of financial assets
The table below analyses financial instruments carried at fair value, by valuation method. The different Levels have been defined as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3 : unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of non-financial asset measured at fair value as at 31 March 2023 and 31 March 2022:

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
2023				
Financial assets at fair value through other comprehensive income (Note 8)	-	-	**1,204,842**	**1,204,842**
Investment properties (Note 6)	-	-	**1,722,000**	**1,722,000**
2022				
Financial assets at fair value through other comprehensive income (Note 8)	-	-	808,480	808,480
Investment properties (Note 6)	-	-	1,748,000	1,748,000

33 Fair value measurement (Cont'd)

The following table shows the Company's valuation technique used in measuring Level 3 fair value in respect of investment properties as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Investment properties	Direct comparison method	- Price per square meter - Adjustment factor	The estimated fair value would increase/(decrease) if: - price per square meter was higher (lower) - adjustment factor was favourable/(not favourable)
Financial assets at fair value through other comprehensive income	Discounted cash flows	Discount rate	The estimated fair value would increase/(decrease) if the discount rate was lower/(higher).

34 Capital Commitments

	2023 US$	2022 US$
Commitments for acquisition property, plant and equipment	-	427,897

35 Contingent liabilities

At the end of the reporting period, there were unsecured contingent liabilities not provided in the financial statements as follows:

	2023 US$	2022 US$
Banker's guarantee	**110,135**	-

The banker's guarantee is a security deposit, guaranteed by the bank on behalf of the Company, to ensure the performance of its obligations under the contract with the customer.

36 Authorisation of financial statements for issue

The financial statements for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 09 MAY 2023

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No.:199901924M)

THE ACCOMPANYING SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME HAS BEEN PREPARED FOR MANAGEMENT PURPOSES ONLY AND DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENTS

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

		2023 USD	2022 USD
Revenue			
	Sales of goods	30,908,836	26,073,520
Less:	**Cost of goods sold**		
	Purchases	(26,801,386)	(22,193,985)
	Changes in Inventories	1,472,434	2,102,371
	Freight Charges	(544,474)	(610,899)
	Warehouse Expenses	(54,378)	(33,516)
	Warehouse Equipment Maintenance	(25,274)	(13,599)
	Spooling/Consumables Expenses	(2,545)	(89,918)
	Discount Received	-	784
Gross Profit		4,953,213	5,234,758
Add:	**Other income**		
	Miscellaneous Income	398,249	80,196
	Rental income	145,428	234,690
	Management fee income	716,130	690,918
	Gain of disposal of fixed assets	91,732	102,995
	Government grants	20,700	36,929
	Investment income	3,392	-
	Provision For impairment loss in trade receivables written back	334,251	2,149,560
		1,709,882	3,295,288
Less:	**Marketing and distribution expenses**		
	Marketing consultation fee	29,236	16,306
		(29,236)	(16,306)
Less:	**Administrative expenses**		
	Advertisement	7,507	-
	Agent's Commission	14,093	5,437
	Auditors' Remuneration	33,910	33,962
	Bad debts written off	358,735	2,183,102
	Bank charges	20,759	23,795
	Courier and postage	5,265	5,832
	Entertainment	33,206	14,282
	Loss of Investment Property Fair Value	26,000	69,000
	General Expenses	5,439	38,916
	General Repair & Maintenance	71,472	108,568
	Gifts & Compliments	13,690	19,325
	Insurance	97,384	58,189
	Lease on photocopier	8,646	8,812
	Foreign exchange loss	4,158	20,086
	Medical expenses	36,032	37,704
	Printing & Stationery	4,574	2,760
	Private Car Expenses	77,311	56,853
	Professional fees	153,305	52,315
	Property Tax	80,199	81,740
	Refreshment	6,863	13,343
	Secretarial Fee	1,087	1,629
	Subscription	579	725
	Sundry wages	58,906	44,772
	Telephone & Internet	33,363	30,778
	Tax Accounting Fee	67,469	4,449
	Travelling & Transportation	163,200	17,890
	Utilities	9,073	18,938
	Balance carried forward	(1,392,225)	(2,953,202)

USHA MARTIN SINGAPORE PTE LTD
(Company Reg. No. : 199901924M)

SUPPLEMENTARY STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 USD	2022 USD
Balance brought forward	(1,392,225)	(2,953,202)
Employee benefits		
Director's Remuneration	588,735	508,242
Salaries and Allowances	1,442,979	1,328,303
CPF / SDL / FWL Contributions	189,933	177,549
Training and Courses	2,516	2,673
	(2,224,163)	(2,016,767)
Depreciation		
Depreciation on right-of-use assets	268,045	233,540
Depreciation on Property, Plant & Equipment	789,836	717,484
	(1,057,881)	(951,024)
Less: Finance costs		
Interest on lease liabilities	82,347	87,075
Interest on Borrowings	325,137	141,195
	(407,484)	(228,270)
Profit before tax	**1,552,106**	**2,364,477**

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Financial Statements

For the year ended 31 March 2023

Liability limited by a scheme approved under

Professional Standards Legislation

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
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For the year ended 31 March 2023

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
Directors' report
31 March 2023

The directors present their report on the company for the financial year ended 31 March 2023.

The names of each person who has been a director during the year and to date of the report are:

Mr Anurag Bhatia

Mr Tapas Gangopadhyay

Mr Bhupesh Kumar Madan (Resigned 30 March 2023)

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

The loss of the company for the financial year after providing for income tax amounted to $59,148 (2022: profit $196,242)

There have been no significant changes in the state of affairs of the company during the year.

The principal activities of company during the financial year involved the importation and sale of steel wire ropes and products.

No significant changes in the nature of the company's activity occurred during the financial year.

Since the end of last financial year, the global COVID-19 situation has continued. The directors have considered the impact of this on the company and have determined that there is no anticipated material impact on the operations.

The company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

There were no dividends paid or declared since the start of the period.

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Usha Martin Australia Pty Ltd.

Proceedings on behalf of the Company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
Directors' report
31 March 2023

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2023 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of directors.

Mr Anurag Bhatia
Director

Mr Tapas Gangopadhyay
Director

Dated: 14 April 2023

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Auditor's independence declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2023, there have been no contraventions of:

- the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Page Harrison & Co
Chartered Accountants

Gregory Richards
Dated: 14 April 2023

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Statement of profit or loss

For the year ended 31 March 2023

	Note	2023	2022
		$	$
Revenue	4	12,189,128	12,815,943
Finance income	5	42	4
Other income	4	2,488	1,815
Total income		12,191,658	12,817,762
Changes in inventories of finished goods		775,668	384,522
Depreciation and amortisation		(288,434)	(313,397)
Employee benefits		(939,648)	(748,029)
Directors' benefits		(719,683)	(596,033)
Finance expenses		(42,434)	(58,391)
Materials, freight and consumables used		(10,407,286)	(10,622,138)
Other expenses		(566,124)	(613,271)
Bad and doubtful debts		(5,274)	12,134
Provision for inventory dimunition		(66,446)	(13,748)
Total expenses		(12,259,661)	(12,568,351)
Profit before income tax		(68,003)	249,411
Income tax expense	7	8,855	(53,169)
Profit (loss) for the year		(59,148)	196,242

The accompanying notes form part of these financial statements.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
Statement of financial position
As at 31 March 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	8	218,721	284,833
Trade and other receivables	9	2,320,816	3,768,883
Inventories	10	5,614,087	5,332,614
Deferred tax assets	16	103,018	61,066
Other assets	13	159,895	210,562
Total current assets		8,416,537	9,657,958
Non-current assets			
Property, plant and equipment	11	13,444	14,335
Investment in associated company	12	5,781	5,781
Right-of-use assets	14	757,048	1,031,310
Total non-current assets		776,273	1,051,426
Total assets		9,192,810	10,709,384
Liabilities			
Current liabilities			
Trade and other payables	15	4,941,677	6,025,572
Current tax liabilities	16	-	14,892
Lease liabilities	14	279,387	256,628
Employee benefits	17	133,263	191,729
Total current liabilities		5,354,327	6,488,821
Non-current liabilities			
Lease liabilities	14	553,010	832,397
Employee benefits	17	48,437	91,982
Total non-current liabilities		601,447	924,379
Total liabilities		5,955,774	7,413,200
Net assets		3,237,036	3,296,184
Equity			
Share capital	19	200,000	200,000
Retained earnings		3,037,036	3,096,184
Total equity		3,237,036	3,296,184

The accompanying notes form part of these financial statements.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
Statement of changes in equity
For the year ended 31 March 2023

2022	**Ordinary shares**	**Retained earnings**	**Total**
	$	**$**	**$**
Balance at 1 April 2021	200,000	2,899,942	3,099,942
Profit for the year	-	196,242	196,242
Balance at 31 March 2022	200,000	3,096,184	3,296,184

2023	**Ordinary shares**	**Retained earnings**	**Total**
	$	**$**	**$**
Balance at 1 April 2022	200,000	3,096,184	3,296,184
Loss for the year	-	(59,148)	(59,148)
Balance at 31 March 2023	200,000	3,037,036	3,237,036

The accompanying notes form part of these financial statements.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,717,208	11,768,234
Interest received		42	4
Government Covid-19 subsidies received		-	63,385
Payments to suppliers and employees		(12,384,074)	(11,721,433)
Interest paid		(42,434)	(58,391)
Income tax received / (paid)		(47,989)	(28,547)
Net cash (used in)/generated from operating activities	24	242,753	23,252
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of plant and equipment		1,351	-
Payment for property, plant and equipment		(14,633)	(6,910)
Net cash used in investing activities		(13,282)	(6,910)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities		(256,628)	(250,394)
Net cash used in financing activities		(256,628)	(250,394)
Net increase/ decrease in cash held		(27,157)	(234,052)
Effects of exchange rate changes on cash and cash equivalents		(38,956)	(3,939)
Cash on hand at the beginning of the financial year		284,834	522,825
Cash on hand at the end of the financial year	8	218,721	284,834

Usha Martin Australia Pty Ltd

ABN 87 111 639 626
Notes to the financial statements
For the year ended 31 March 2023

1. Introduction

The financial report covers Usha Martin Australia Pty Ltd as an individual entity. Usha Martin Australia Pty Ltd is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Usha Martin Australia Pty Ltd is Australian dollars.

The principal activities of the Company for the year ended 31 March 2023 involved the importation and sale of steel wire ropes and products.

The financial report was authorised for issue by the Directors on Select Date.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

3. Summary of significant accounting policies

a. Revenue Recognition

Revenue from the sale of goods and disposal of other assets is recognised when persuasive evidence (usually in the form of an executed sales agreement) of an arrangement exists and:

- there has been a transfer of risks and rewards to the customer;
- no further work or processing is required by the company;
- the quantity and quality of the goods has been determined with reasonable accuracy;
- the price is fixed or determinable;
- collectability is reasonably assured.

Revenue is therefore generally recognised when title passes which is usually at the point of delivery. Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

3 . Summary of significant accounting policies (Continued)

a . Revenue Recognition (Continued)

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

b. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, of payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which is receivable from, or payable to, the ATO are classified as operating cash flows.

c. Leasing

The company applies AASB 16 Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The company has lease contracts for premises and vehicles. Under AABS 16, the company has applied a single recognition and measurement approach for all leases that it is the lessee, except for short term leases and leases of low-value assets. The company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying asset.

Right of use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.-of-use assets are subject to impairment. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

3 . Summary of significant accounting policies (Continued)

c . Leasing (Continued)

Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating a lease, if the lease term reflects the company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of lowvalue assets recognition exemption to leases that are considered of low value (i.e., below $5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

d. Borrowing costs

Borrowing costs attributable to the acquisition and construction of qualifying assets are added to the cost up to the date when such assets are ready for their intended use. Other borrowing costs are recognised as expenses in the year in which these are incurred.

3 . Summary of significant accounting policies (Continued)

e. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

f. Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the financial year as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. No deferred tax asset relating to unused tax losses has been recognised at balance date.

3 . Summary of significant accounting policies (Continued)

f . Income Tax (Continued)

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

g. Foreign currency

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of transaction. Foreign currency monetary assets and liabilities are translated at the balance date rates. Non monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

i. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on a specific item basis.

j. Investments

Current investments are valued at lower of cost and net realisable value. Long term investments are stated at cost and a diminution provision is carried where the market value is less than cost.

3 . Summary of significant accounting policies (Continued)

k. Property, Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of depreciation:

- Plant and equipment 1–5 years
- Furniture and fixtures 6–10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

l. Impairment of non-financial assets

At the end of each reporting period the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3 . Summary of significant accounting policies (Continued)

l . Impairment of non-financial assets (Continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cashgenerating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that could have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

m. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

n. Financial instruments

Financial assets

Financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The company derecognises the financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company has the following financial assets: loans and receivables and cash and cash equivalents.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

n . Financial instruments (Continued)

Financial assets (Continued)

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Financial liabilities

Financial liabilities are recognised initially on the date, which is the date that the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either settle on a net basis to realise the asset and settle the liability simultaneously.

The company classified financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise trade and other payables.

o. Use of Estimates and Judgments

The preparation of financial statements in conformity with the Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of the Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

p. Adoption of new and revised accounting standards

The company has adopted all Standards which became effective for the first time at 31 March 2023 , none of the new standards had a material impact on the reported financial position or performance.

4. Revenue and other income

a. Revenue from continuing operations

	2023 $	2022 $
Revenue from contracts with customers		
Sales of goods	12,515,410	12,753,289
Revenue from other sources		
COVID-19 Government assistance	-	63,385
Currency gain/(loss)	(326,282)	(731)
	(326,282)	62,654
	12,189,128	12,815,943

b. Other income

Other income	2,488	1,815

c. Expenses

Expenses		
Cost of sales	9,698,064	10,251,364
Bad and doubtful debts	5,274	(12,134)
Management fees	150,000	150,000
Operating lease	110,549	80,593

5. Finance income

Interest income	42	4
	42	4

6. Result for the year

The result for the year includes the following specific expenses:

Expenses	**2023**	**2022**
	$	**$**
Cost of sales	9,698,064	10,251,364
Bad and doubtful debts	5,274	(12,134)
Management fees	150,000	150,000
Operating lease	110,549	80,593

7. Income tax expense

a. Components of income tax expense comprise:

Current tax	(20,885)	(45,485)
Deferred tax	29,740	(7,684)
	8,855	(53,169)

b. The prima facie tax payable on profit from ordinary activities is reconciled to the income tax expense/benefit as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30% (2022: 25%)	20,401	(62,353)
Add tax effect of:		
Tax effect of income tax rate changes	(20,885)	(3,662)
Less tax effect of:		
Tax effect of permanent differences	9,339	12,846
Income tax attributable to parent entity	8,855	(53,169)

8. Cash and cash equivalents

a. Bank accounts

	2023	2022
	$	$
ANZ Business Classic 7836	-	7,780
Westpac Business One 0483	206,129	245,072
Westpac USD Account 3400	12,536	31,951
Petty cash	56	30
	218,721	284,833

b. Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of profit or loss and other comprehensive income is reconciled to items in the Statement of financial position as follows:

Cash	218,721	284,833

9. Trade and other receivables

Current		
Trade Debtors - External	2,253,054	3,761,883
Trade Debtors - Related parties	67,762	-
Other trade and other receivables	-	7,000
	2,320,816	3,768,883

Trade receivables are recognised and carried at original invoice amount less any allowance for uncollectable amounts. Terms of settlement vary up to 120 days. The carrying amount of the receivable is deemed to reflect fair value.

Provision for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty’s current financial position.

9 . Trade and other receivables (Continued)

a. Age of receivables that are past due but not impaired

31 March 2022	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Trade debtors	3,101,990	576,630	70,860	7,403	3,756,883

31 March 2023	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Trade debtors	1,830,803	413,994	46,157	29,862	2,320,816

Movement in the provision for doubtful debts

	2023 $	2022 $
Balance at beginning of the period	-	12,134
Net provision written back	-	(12,134)
Balance at end of the year	-	-

10. Inventories

Current		
Stock in transit	1,221,709	1,649,458
Stock on hand	4,523,204	3,747,536
Provision for diminition in value	(130,826)	(64,380)
	5,614,087	5,332,614

11. Property, plant and equipment

Plant and equipment		
At Cost	153,276	148,561
Less Accumulated Depreciation	(141,390)	(137,441)
	11,886	11,120
Furniture, fixtures and fittings		
At Cost	12,807	11,580
Less Accumulated Depreciation	(11,249)	(8,365)
	1,558	3,215
	13,444	14,335

11 . Property, plant and equipment (Continued)

Movements in carrying amounts of property, plant and equipment

	Plant and equipment $	Furniture and fixtures $	Total $
Year ended 31 March 2022			
Balance at beginning of the year	14,235	1,982	16,217
Additions	5,092	1,818	6,910
Depreciation expense	(8,207)	(585)	(8,792)
	11,120	3,215	14,335
Year ended 31 March 2023			
Balance at beginning of the year	11,120	3,215	14,335
Additions	13,407	1,227	14,634
Disposals -written down value	(1,353)	-	(1,353)
Depreciation expense	(11,288)	(2,884)	(14,172)
	11,886	1,558	13,444

12. Investment in associated company

	2023 $	2022 $
PT Usha Martin Indonesia	5,781	5,781

13. Other assets

	2023	2022
Current		
Deposits paid	73,600	73,600
Prepayments	86,295	136,962
	159,895	210,562

14. Leases

a. company as a lessee

The company has leases over two buildings - Western Australia (WA) and New South Wales (NSW). The building lease for the NSW is for the corporate office and warehouse. There are 3 years remaining with a 5 year option extension at the discretion of the Company. The rentals are subject to a fixed increase of 3.5% for the initial term of 10 years. Whereas the building lease locating in WA is sublease as warehouse. There are two years remaining without the option for extension.

14 . Leases (Continued)

i. Right-of-use assets

	2023 $	2022 $
Lease building	1,237,006	1,237,006
Accumulated depreciation	(479,958)	(205,696)
	757,048	1,031,310

ii. Lease liabilities

	2023 $	2022 $
1 year	312,603	302,936
1 - 5 years	577,605	890,208
Total undiscounted lease liabilities	890,208	1,193,144
Lease liabilities included in the statement of financial position		
Lease liabilities - current	279,387	256,628
Lease liabilities - non-current	553,010	832,397
Total Lease liabilities	832,397	1,089,025

iii. Statement of profit or loss and other comprehensive income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2023 $	2022 $
Interest expense on lease liabilities	42,434	58,391
Depreciation rights-of-use assets	274,262	304,605
	316,696	362,996
Statement of Cash Flows		
Total cash outflow for leases	302,936	274,868

Usha Martin Australia Pty Ltd

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15. Trade and other payables

Current	**2023**	**2022**
	$	**$**
Trade payables*	4,684,949	5,731,783
Other payables	256,728	293,789
	4,941,677	6,025,572

*Trade payables		
- external parties	204,241	276,991
- related parties	4,480,708	5,454,792
	4,684,949	5,731,783

16. Tax assets and liabilities

Current tax assets		
Deferred tax	103,018	61,066

Current tax liabilities		
Provision for income tax	-	14,892

17. Employee benefits

Current		
Employee entitlements	133,263	191,729

Non-current		
Employee entitlements	48,437	91,982

18. Financial risk management

The company's financial instruments consist of deposits with banks, accounts receivable and payable, loans and leases.

Categories of financial instruments

Financial assets	2023 $	2022 $
Cash and cash equivalents	218,721	284,833
Trade and other receivables	2,320,816	3,768,883
Investment	5,781	5,781
	2,545,318	4,059,497

Financial liabilities		
Trade and other payables	5,774,074	7,114,597

a. Interest rate risk

The company has no external borrowings. Its parent entity provides any required financial support.

b. Foreign currency risk

The company is exposed to currency fluctuations as it acquires inventory in US dollars and Australian dollars and sells product in US dollars and Australian dollars.

The company adopts a natural hedge strategy by generally aligning the US currency purchases with US currency sales and Australian currency purchases with Australian currency sales.

c. Liquidity risk

The company manages liquidity risk by monitoring cash flow forecasts and securing long payment terms in respect of purchases.

d. Credit risk

There is no material credit risk.

e. Price risk

The company is exposed to commodity price variances in respect of steel. However, 100% of inventory purchases are acquired from related parties.

19. Share capital

a. Share capital summary

	2023 No.	2023 $	2022 No.	2022 $
Ordinary shares	200,000	200,000	200,000	200,000

b. Ordinary shares

Ordinary shares are entitled to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

20. Key management personnel remuneration

The remuneration paid to key management personnel of Usha Martin Australia Pty Ltd during the year is as follows:

	2023 $	2022 $
Short-term employee benefits	719,683	596,033

21. Auditor's remuneration

Assurance services	26,000	22,000
Other services	19,200	50,200
	45,200	72,200

22. Contingencies

In the opinion of the Directors, the company did not have any contingencies at 2023 (2022: None).

23. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Parent company

The determination of operating profit before income tax included the following items, which resulted from transactions with the parent company:

	2023 $	2022 $
Purchase of materials	4,764,034	3,375,566
Management fees	150,000	150,000
Aggregate amounts payable to the parent company	1,968,173	2,196,319

Associated companies

Transactions with associated companies:

The determination of operating profit before income tax included the following items, which resulted from:

	2023 $	2022 $
Purchase of steel wire products		
Usha Martin India Limited	832,952	2,980,824
Usha Siam Steel Industries Public Company	3,001,861	3,563,034
Brunton Shaw UK	319,706	78,472
Commission Received		
Usha Martin India Limited	11,060	-
Usha Martin Americas Inc	68,045	-
Expense recoupment		
Usha Martin Americas Inc	3,027	-
Aggregate amounts receivable from associated companies		
Usha Martin Americas Inc	67,762	-
Aggregate amounts payable to associated companies		
Usha Martin India Limited	711,170	863,258
Usha Siam Steel Industries Public Company	1,605,333	2,412,901
Brunton Shaw UK	321,032	57,314

24. Cash flow information

	2023 $	2022 $
Reconciliation of cash flow from operations with profit from ordinary activities after income tax		
Profit/ (loss) from ordinary activities after income tax	(59,148)	196,242
Non-cash flows in profit	-	
Depreciation	14,172	8,792
Depreciation - right of use asset	274,262	304,605
Effects of exchange rate changes on cash and cash equivalents	38,956	3,939
Changes to provisions	-	
Doubtful debts	-	(12,134)
Inventory diminution	66,446	13,748
Employee entitlements	(102,011)	97,970
Changes in assets and liabilities	-	
(Increase)/decrease in trade debtors	1,448,067	(1,990,382)
(Increase)/decrease in other debtors	50,667	(51,720)
(Increase)/decrease in inventory	(347,919)	(1,315,823)
(Increase)/decrease in deferred taxes	(41,952)	7,685
(Decrease)/increase in trade creditors	(1,083,895)	2,750,655
(Decrease)/increase in other creditors	-	(9,432)
(Decrease)/increase in provision for income tax	(14,892)	19,107
Cash flow from operations	242,753	23,252

25. Economic dependence

The continued activity of the company is dependent on the supply of product from its parent and associated entities worldwide.

The company has a material customer that comprised 33% of the gross sales revenue of the company for the year.

26. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

27. Segment reporting

The company operates in one business segment being the sale of steel wire ropes and products.

The company operates predominantly in one geographical segment being Australia and New Zealand.

28. Company details

The registered office and principal place of business of the company is:

Usha Martin Australia Pty Ltd
199 Hassall Street
Wetherill Park NSW Australia
2164

The parent entity is:

Usha Martin Singapore Pte. Ltd.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Directors' declaration

The directors of the company declare that:

The financial statements and notes for the year ended 31 March 2023 are in accordance with the *Corporations Act 2001* and:

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 31 March 2023 and of the performance for the year ended on that date of the company.

In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr Anurag Bhatia
Director

Mr Tapas Gangopadhyay
Director

Dated: 14 April 2023

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Independent audit report to the members

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Usha Martin Australia Pty Ltd (the company), which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss, the statement of changes in equity and the statement of profit or loss and other comprehensive income for the year then ended, notes to the financial statements and the Directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the company's financial position as at 31 March 2023 and of its financial performance for the year ended; and
- complying with the Australian Accounting Standards Standard and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be the same terms if given to the directors as at the time of this auditor's report.

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

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation of the general purpose financial report that gives a true and fair view in accordance with the Australian Accounting Standards in accordance with the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing Usha Martin Australia Pty Ltd'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 intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Independent audit report to the members

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, 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 the directors.
- Conclude on the appropriateness of the directors' 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Independent audit report to the members

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Page Harrison & Co
Chartered Accountants

Gregory Richards

Dated: 14 April 2023

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Compilation Report to Usha Martin Australia Pty Ltd

Scope

On the basis of information provided by the directors of Usha Martin Australia Pty Ltd, we have compiled in accordance with APES 315 'Compilation of Financial Information' the special purpose financial report of Usha Martin Australia Pty Ltd for the year ended 31 March 2023 as set out on the following pages.

The specific purpose for which the special purpose financial report has been prepared is to provide confidential information to the directors and the member. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent and are appropriate to satisfy the requirements of the directors and for the purpose that the financial report was prepared.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The financial report was prepared for the benefit of the company and its member and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Page Harrison & Co

Chartered Accountants

Gregory Richards

Dated: 14 April 2023

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Trading and Profit & Loss Statement

For the year ended 31 March 2023

	2023	2022
	$	$
Sales	12,515,410	12,753,289
Cost of sales		
Opening stock	3,747,536	3,363,014
Purchases	9,401,839	9,066,596
Purchase adjustments/ discounts	(55,537)	(4,794)
Provision for diminution in inventory	66,446	13,748
Container repair	358	-
Cutting cost	1,005	9,120
Freight inwards	203,973	254,522
Freight outwards	78,506	78,704
Hire of equipment	14,852	12,273
Labour hire	200	4,943
Marine freight (import)	402,609	882,896
Materials testing	8,560	-
Detention fees	8,053	940
Storage	1,516	2,734
Import duty	258,391	174,564
Gas	1,345	1,060
Port service charges	81,616	138,580
	14,221,268	13,998,900
Closing stock	(4,523,204)	(3,747,536)
Total cost of sales	9,698,064	10,251,364
Gross profit from trading	2,817,346	2,501,925

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Trading and Profit & Loss Statement

For the year ended 31 March 2023

	2023	2022
	$	$
Income		
Gross profit from trading	2,817,346	2,501,925
Interest received	42	4
Currency gain/(loss)	(326,282)	(731)
COVID-19 Government assistance	-	63,385
Insurance procced	2,488	-
Profit on disposal of plant and equipment	-	1,815
Total income	2,493,594	2,566,398
Expenses		
Accountancy	19,200	50,200
Advertising and promotion	16,092	12,642
Audit fees	26,000	22,000
Bad and doubtful debts	5,274	(12,134)
Bank fees and charges	2,369	1,730
Cleaning and rubbish removal	6,835	10,234
Computer expenses	9,486	2,086
Commissions	29,228	(10,023)
Consulting fees	6,977	-
Depreciation expenses	288,434	313,397
Electricity and gas	5,592	6,283
Filing fees	290	276
Fringe benefits tax	40,704	40,704
Health & Safety check	11,470	-
Insurance	60,376	51,037
Interest expenses	42,434	58,391
Leave travel allowance	(10,500)	6,000
Legal and professional fees	19,131	5,177
Management fees	150,000	150,000
Motor vehicle lease	54,098	49,750
Postage, printing and stationery	4,686	8,412
Medical expenses	11,255	16,724
Payroll tax	10,246	-
Protective clothing	3,644	1,487
Provision for employee entitlements	(91,511)	91,971
Relocation costs	-	58,069
Rent	110,549	80,593
Repairs and maintenance	12,277	3,942
Staff amenities and training	4,547	2,390

Usha Martin Australia Pty Ltd

ABN 87 111 639 626

Trading and Profit & Loss Statement

For the year ended 31 March 2023

Standard certification	3,000	(3,000)
Subscriptions	5,213	9,097
Superannuation	135,621	108,049
Telephone	3,516	5,279
Travel expenses	111,886	24,431
Wages and salaries	1,439,408	1,139,559
Workers' compensation payout	-	1,550
Workers' compensation insurance	13,770	10,684
Total Expenses	2,561,597	2,316,987
Profit/(loss) before income tax	(68,003)	249,411

Joe Tan & Associates PAC
Chartered Accountants

Unaudited financial statements
PT Usha Martin Indonesia

for the financial year ended 31 March 2023

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

Contents

Director's Statement
for the financial year ended 31 March 2023

The directors of the Company are pleased to present their report to the member together with the unaudited financial statements of PT Usha Martin Indonesia (the "Company") for the financial year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the unaudited financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in equity, and cash flows of the Company for the year then ended; and

(b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Tapas Gangopadhyay
Tin Muljatno

3. 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 objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (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.

Director's Statement
for the financial year ended 31 March 2023

5. SHARE OPTIONS

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

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

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

The Board of Directors

....
Tapas Gangopadhyay
Director

....
Tin Muljatno
Director

Singapore,

Date:

28 APR 2023

Joe Tan & Associates PAC
Chartered Accountants

Compilation report to Management of PT Usha Martin Indonesia

We have compiled the accompanying unaudited financial statements of PT Usha Martin Indonesia based on information you have provided. These unaudited financial statements comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the unaudited financial statements.

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

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these unaudited financial statements on the basis of accounting described in Note 2(a) to the unaudited financial statements. We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

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

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these unaudited financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these unaudited financial statements are prepared in accordance with the basis of accounting described in Note 2(a).

Note 2(a) states the basis on which these unaudited financial statements are prepared. These unaudited financial statements are for your use only and may not be suitable for other purposes.

Our compilation report is intended solely for your use in your capacity as management of PT Usha Martin Indonesia and should not be distributed to other parties.

Joe Tan & Assoc PAC

Joe Tan & Associates PAC
Public Accountants and
Chartered Accountants

Singapore, Date

20 APR 2023

1 Coleman Street #05-16 The Adelphi Singapore 179803
Tel: (65) 6837 0360 Fax: (65) 6837 0369
Email: enquiry@jdt.com.sg website: www.jdt.com.sg
Incorporated with Limited Liability Regn No. 200801266N

Statement of financial position
as at 31 March 2023

	Note	31 March 2023 US$	31 March 2022 US$
ASSETS			
Non-Current			
Plant and equipment	5	**27,173**	32,681
Right-of-use assets	6	**4,785**	13,259
		31,958	45,940
Current			
Inventories	7	**66,538**	344,974
Trade and other receivables	8	**2,632,065**	2,862,455
Cash and cash equivalents	9	**263,070**	153,681
		2,961,673	3,361,110
Total assets		**2,993,631**	3,407,050
EQUITY			
Capital and Reserves			
Share capital	10	**100,000**	100,000
Retained earnings		**2,334,782**	2,203,199
		2,434,782	2,303,199
LIABILITIES			
Non-Current			
Lease liabilities	12	**-**	11,432
Current			
Trade and other payables	11	**553,879**	1,089,848
Lease liabilities	12	**4,970**	2,571
		558,849	1,103,851
Total equity and liabilities		**2,993,631**	3,407,050

The annexed notes form an integral part of and should be read in conjunction with these unaudited financial statements.

Statement of profit or loss and other comprehensive income
for the financial year ended 31 March 2023

	Note	Year ended 31 March 2023 US$	Year ended 31 March 2022 US$
Revenue	4	**8,637,848**	8,156,227
Cost of sales		**(7,242,135)**	(6,848,082)
Gross profit		**1,395,713**	1,308,145
Other income	13	**26,414**	1,144
Marketing and other operating expenses		**(1,248,141)**	(1,049,711)
Profit before taxation	14	**173,986**	259,578
Income tax expense	16	**(42,403)**	(58,687)
Profit for the year, representing total comprehensive income for the year		**131,583**	200,891

The annexed notes form an integral part of and should be read in conjunction with these unaudited financial statements.

Statement of changes in equity
for the financial year ended 31 March 2023

	Share capital US$	Retained earnings US$	Total US$
At 1 April 2021	**100,000**	**2,002,308**	**2,102,308**
Profit for the year, representing total comprehensive income for the year	-	**200,891**	**200,891**
At 31 March 2022	**100,000**	**2,203,199**	**2,303,199**
Profit for the year, representing total comprehensive income for the year	-	**131,583**	**131,583**
At 31 March 2023	**100,000**	**2,334,782**	**2,434,782**

The annexed notes form an integral part of and should be read in conjunction with these unaudited financial statements.

Statement of cash flows
for the financial year ended 31 March 2023

	Note	Year ended 31 March 2023 US$	Year ended 31 March 2022 US$
Cash Flows from Operating Activities			
Profit before taxation		**173,986**	259,578
Adjustments for:			
Depreciation of plant and equipment	5	**7,371**	7,072
Depreciation of right-of-use assets	6	**11,975**	11,972
Gain on disposal of plant and equipment		**-**	(138)
Interest expenses		**533**	1,101
Change in working capital:		**193,865**	279,585
Inventories		**278,436**	638,334
Trade and other receivables		**230,390**	(1,178,108)
Trade and other payables		**(535,969)**	(97,744)
Cash generated from operations		**166,722**	(357,933)
Interest paid		**(533)**	(1,101)
Income tax paid		**(42,403)**	(58,687)
Net cash generated /(used in) from operating activities		**123,786**	(417,721)
Cash Flows from Investing Activities			
Acquisition of plant and equipment		**(1,863)**	(3,273)
Proceeds from sale of plant and equipment		**-**	138
Repayment of lease liabilities		**(12,534)**	(11,766)
Net cash used in investing activities		**(14,397)**	**(14,901)**
Net increase in cash and cash equivalents		**109,389**	(432,622)
Cash and cash equivalents at beginning of year		**153,681**	586,303
Cash and cash equivalents at end of year	9	**263,070**	153,681

The annexed notes form an integral part of and should be read in conjunction with these unaudited financial statements.

Notes to the unaudited financial statements
for the financial year ended 31 March 2023

1 General information

The unaudited financial statements of the Company for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is a limited liability company incorporated and domiciled in Indonesia.

The registered office and principal place of business of the Company is located at Gedung Konica Lt.3A Jl. Gunung Sahari Raya No. 78, Jakarta 10610, Indonesia.

The principal activities of the Company are to carry on the business of importing and selling steel wire ropes.

The Company is a subsidiary of Usha Martin Singapore Pte Ltd, incorporated in Singapore, which is also the Company's holding company.

2 Summary of significant accounting policies

(a) Basis of preparation

The unaudited financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The unaudited financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The unaudited financial statements are presented in United States dollars which is the Company's functional currency. All financial information is presented in United States dollars, unless otherwise stated.

The preparation of the unaudited financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

(b) 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 annual financial periods beginning on or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2 Summary of significant accounting policies (Cont'd)

(c) 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:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 *Presentation of Financial Statements* and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
FRS 117 *Insurance Contracts*	1 January 2023
Amendments to FRS 116 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 *Presentation of Financial Statements:* Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 110 *Consolidated Financial Statements* and FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

(d) 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. 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. 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 using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Office equipment	4 years
Furniture and fittings	4 years
Software	4 years
Vehicles	5 years
Renovations	10 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting 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 Summary of significant accounting policies (Cont'd)

(e) 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. 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.

(f) Financial instruments

- **Financial assets**

<u>Initial recognition and measurement</u>

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 fair value through profit or loss (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.

<u>Subsequent measurement</u>

Investments in 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, fair value through other comprehensive income (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.

2 Summary of significant accounting policies (Cont'd)

(f) Financial instruments (Cont'd)

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.

- **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.

(g) 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).

2 Summary of significant accounting policies (Cont'd)

(g) Impairment of financial assets (Cont'd)

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

The Company considers a financial asset in default when contractual payments are 60 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.

(h) 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.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

(j) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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.

(k) 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 Summary of significant accounting policies (Cont'd)

(l) Employee benefits

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

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

(m) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2(e).

The Company's right-of-use assets are presented in Note 6.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2 Summary of significant accounting policies (Cont'd)

(m) Leases (Cont'd)

Lease liabilities (Cont'd)
In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are presented in Note 12.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(n) 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.

(o) Dividends

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

(p) 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.

Sale of wire ropes (at a point in time)
The Company sells metal wire and cable products.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are sold without right of return. No volume rebate is granted by the Company.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price. 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.

2 Summary of significant accounting policies (Cont'd)

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

(r) 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.

(s) Income tax

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.

2 Summary of significant accounting policies (Cont'd)

(s) Income tax (Cont'd)

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.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST except:

- 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.

3 Significant accounting judgements and estimates

The preparation of the Company's unaudited financial statements requires management to make judgments, 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 require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgement made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Company, judgment 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.

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.

3 Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

(a) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences an unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 31 March 2023 was US$27,173 (2022: US$32,681).

(b) Impairment of plant and equipment

The plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The Company assesses impairment of these assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable.

If any such indication exists, the recoverable amount (i.e., higher of the fair value less cost to sell and value in use) of these assets is estimated to determine the impairment loss. The Company evaluates the recoverable amount of these assets based on the net present value of future cash flows (value in use) derived from such assets using cash flow projections which have been discounted at an appropriate rate.

As at 31 March 2023, no allowance for impairment loss of the plant and equipment was made as the recoverable amount was in excess of the carrying amount.

(c) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Company's inventories as at 31 March 2023 was US$66,538 (2022: US$344,974). If the future expected realisable value lower by 10% of its carrying amount, the carrying amount of the Company's inventories would have been US$6,000 (2022: US$34,000) lower.

(d) Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

3 Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

The level of estimation and judgement used in the ECL calculation has increased as a result of the COVID-19 outbreak. The Company has considered the impact of COVID-19 on its customers and grouped them based on shared credit risk characteristics. Separate provision matrices are applied to each customer groupings and the historical loss rates are adjusted to reflect the current and forward-looking information.

In calculating the ECL rates, the Company has considered the volatility of the forward-looking macroeconomic factors affecting the ability of the customers to repay their debts.

The carrying amounts of the Company's trade receivables as at 31 March 2023 were US$1,795,323 (2022: US$2,446,535).

4 Revenue

	2023 US$	2022 US$
Sales of goods (at a point in time)	**8,637,848**	8,156,227

5 Plant and equipment

	Furniture and fittings US$	Office equipment US$	Software US$	Vehicles US$	Renovations US$	Total US$
Cost						
At 1 April 2021	3,014	7,416	1,089	32,639	10,135	54,293
Additions	-	3,273	-	-	-	3,273
Disposals	-	(661)	-	-	-	(661)
At 31 March 2022	3,014	10,028	1,089	32,639	10,135	56,905
Additions	-	485	-	1,378	-	1,863
Write off	-	-	(1,089)	-	-	(1,089)
At 31 March 2023	**3,014**	**10,513**	**-**	**34,017**	**10,135**	**57,679**
Accumulated depreciation						
At 1 April 2021	2,118	5,010	1,089	8,160	1,436	17,813
Depreciation	336	1,642	-	4,080	1,014	7,072
Disposals	-	(661)	-	-	-	(661)
At 31 March 2022	2,454	5,991	1,089	12,240	2,450	24,224
Depreciation	336	1,828	-	4,194	1,013	7,371
Write off	-	-	(1,089)	-	-	(1,089)
At 31 March 2023	**2,790**	**7,819**	**-**	**16,434**	**3,463**	**30,506**
Carrying amount						
At 31 March 2022	560	4,037	-	20,399	7,685	32,681
At 31 March 2023	**224**	**2,694**	**-**	**17,583**	**6,672**	**27,173**

6 Right-of-use assets

	Office leases US$	Warehouse leases US$	Total US$
Cost			
At 1 April 2021	37,561	41,787	79,348
Additions	-	3,282	3,282
At 31 March 2022	37,561	45,069	82,630
Additions	-	3,501	3,501
Disposals	(11,647)	(38,436)	(50,083)
At 31 March 2023	**25,914**	**10,134**	**36,048**
Accumulated depreciation			
At 1 April 2021	18,125	39,274	57,399
Depreciation	8,638	3,334	11,972
At 31 March 2022	26,763	42,608	69,372
Depreciation	8,638	3,336	11,975
Disposals	(11,647)	(38,436)	(50,083)
At 31 March 2023	**23,754**	**7,508**	**31,264**
Carrying amount			
At 31 March 2022	10,798	2,461	13,259
At 31 March 2023	**2,160**	**2,626**	**4,784**

7 Inventories

	2023 US$	2022 US$
Finished goods	**66,538**	344,974

8 Trade and other receivables

	2023 US$	2022 US$
Trade receivables		
- Third parties	**1,795,323**	2,446,535
Other receivables		
Prepaid taxes	**830,213**	410,344
GST Receivables	**2,059**	1,060
Prepayments	**4,471**	-
	2,632,065	2,857,939

The average credit period on sale of goods is 7 days to 90 days (2022 - 7 days to 90 days).

Trade and other receivables are denominated in Indonesian Rupiah.

9 Cash and cash equivalents

	2023 US$	2022 US$
Cash at bank	**262,111**	153,035
Cash on hand	**959**	646
	263,070	153,681

Cash and bank balances are denominated in the following currencies:

	2023 US$	2022 US$
United States dollar	**202,763**	72,933
Singapore dollar	**-**	-
Indonesian rupiah	**60,183**	80,743
Thai baht	**124**	5
	263,070	153,681

10 Share capital

	2023 Number of ordinary shares	2022 Number of ordinary shares	2023 US$	2022 US$
Issued and fully paid ordinary shares	**100,000**	100,000	**100,000**	100,000

The holders of ordinary shares are entitled to receive dividends as and when declared by company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

11 Trade and other payables

	2023 US$	2022 US$
Trade payable:		
- Immediate holding company	**472,001**	999,923
Other payables:		
- Corporate tax payables	**38,077**	58,687
- Accruals	**36,924**	25,159
- Advance receipts from customers	**-**	3,354
- Import duty	**1,471**	2,725
- Sundry payables	**5,406**	-
	553,879	1,089,848

Other payables are denominated in following currencies:

	2023 US$	2022 US$
United States dollar	**472,001**	999,923
Indonesian rupiah	**81,878**	89,925
	553,879	1,089,848

12 Lease liabilities

	2023 US$	2022 US$
Lease liabilities:		
- Current	**4,970**	2,571
- Non-current	**-**	11,432
Lease liabilities	**4,970**	14,003

13 Other income

	2023 US$	2022 US$
Gain on disposal of plant and equipment	**-**	138
Others	**26,414**	1,006
Total	**26,414**	1,144

14 Profit before taxation

	Note	2023 US$	2022 US$
Profit before taxation has been arrived at after charging:			
Depreciation of plant and equipment	5	**7,372**	7,072
Depreciation of right-of-use asset	6	**11,975**	11,972
Foreign exchange loss		**169,134**	10,539
Staff costs:			
Director's remuneration		**284,037**	280,953
Staff salaries and bonus		**25,647**	60,202
Medical expenses		**753**	1,651
Staff commission		**26,650**	22,937
Staff insurance		**388**	418
Meal & catering		**9,017**	6,033
		346,493	372,194

15 Income tax expense

	2023 US$	2022 US$
Current taxation	**42,403**	58,687
	42,403	58,687

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income on loss as a result of the following:

	2023 US$	2022 US$
Profit before taxation	**173,986**	259,578
Tax calculated using Indonesia tax rate of 22% (2022: 22%)	**38,277**	64,894
Other	**4,126**	(6,207)
	42,403	58,687

16 Significant related party transactions

The Company had the following significant related party transactions during the financial year and the effect of these transactions on the basis determined between the parties are reflected in the unaudited financial statements:

	2023 US$	2022 US$
Immediate holding company		
Purchase of finished goods	**6,698,173**	5,908,849
Management fee	**604,650**	572,010
Others	**-**	662

17 Leases

Company as a lessee

The Company has lease contracts for office premises and warehouse. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use assets:

	Office Premises US$	Warehouse US$	Total US$
As at 1 April 2021	19,436	2,513	21,949
Additions	-	3,282	3,282
Accumulated depreciation	(8,638)	(3,334)	(11,972)
As at 31 March 2022	10,798	2,461	13,259
Additions	-	3,501	3,501
Accumulated depreciation	(8,637)	(3,336)	(11,975)
As at 31 March 2023	**2,161**	**2,626**	**4,785**

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 12 and Statement of Cash Flows respectively. The maturity analysis of lease liabilities is disclosed in Note 18 (b).

17 Leases (Cont'd)

(c) Amounts recognised in profit or loss

	2023 US$	2022 US$
Depreciation of right-of-use assets (Note 5)	**11,975**	11,972
Interest expense on lease liabilities	**533**	1,101
Lease expense not capitalised in lease liabilities:		
- Variable lease expense	**5,606**	8,578
Total amount recognised in profit or loss	**18,114**	21,651

(a) Total cash outflow

The Company had total cash outflows for leases of US$12,534 (2022: US$11,766).

(b) Extension options

The Company does not have lease contracts that include extension options.

18 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.

The following sections provide details regarding the Company's exposure to the above-mentioned 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 and loan to the holding company. For other financial assets (including investment securities and cash), 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.

18 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)
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 90 days, default of interest due for more than 60 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise 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 debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour 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 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

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

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 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 current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

18 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)
For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the Company determined that the ECL is insignificant.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk
The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

(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 managed by matching the payment and receipt 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 requirements through a combination of funds generated from operations and bank borrowings. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount US$	Contractual cash flows US$	One year or less US$	More than one year US$
2023				
Financial assets				
Trade and other receivables (1)	1,795,323	1,795,323	1,795,323	-
Cash and cash equivalents	263,070	263,070	263,070	-
Total undiscounted financial assets	**2,058,393**	**2,058,393**	**2,058,393**	**-**
Financial liabilities				
Trade and other payables (2)	508,925	508,925	508,925	-
Lease liabilities (Note 12)	4,970	4,970	4,970	-
Total undiscounted financial liabilities	**513,895**	**513,895**	**513,895**	**-**
Total net undiscounted financial assets	**1,544,498**	**1,544,498**	**1,544,498**	**-**

(1) Excludes prepaid taxes, GST receivables and prepayments.

(2) Excludes corporate tax payables, advance receipts from customers, import duty and sundry payables.

18 Financial risk management (Cont'd)

(b) Liquidity risk (Cont'd)

	Carrying amount US$	Contractual cash flows US$	One year or less US$	More than one year US$
2022				
Financial assets				
Trade and other receivables (1)	2,446,535	2,446,535	2,446,535	-
Cash and cash equivalents	153,681	153,681	153,681	-
Total undiscounted financial assets	**2,600,216**	**2,600,216**	**2,600,216**	**-**
Financial liabilities				
Trade and other payables (2)	1,025,082	1,025,082	1,025,082	-
Lease liabilities (Note 12)	14,003	14,472	3,028	11,444
Total undiscounted financial liabilities	**1,039,085**	**1,039,554**	**1,028,110**	**11,444**
Total net undiscounted financial assets/(liabilities)	1,561,131	1,560,662	1.572,106	(11,444)

(1) Excludes prepaid taxes, GST receivables and prepayments.

(2) Excludes corporate tax payables, advance receipts from customers, import duty and sundry payables.

(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) Foreign currency risk
The Company's foreign exchange risk results mainly from cash flows from transactions denominated foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales that are denominated in a currency other than the functional currency of the Company, primarily Indonesian Rupiah (IDR).

18 Financial risk management (Cont'd)

(c) Market risk (Cont'd)

(i) Foreign currency risk (Cont'd)

The Company's currency exposures to the IDR and THB at the reporting date were as follows:

	2023		2022	
	IDR	**THB**	**IDR**	**THB**
	US$	**US$**	**US$**	**US$**
Financial assets				
Trade and other receivables (1)	**1,795,323**	-	2,446,535	-
Cash and cash equivalents	**59,648**	124	80,743	5
	1,854,971	124	2,527,278	5
Financial liabilities				
Trade and other payables (2)	**75,001**	-	83,846	-
Lease liabilities	**4,970**	-	14,003	-
	79,971	-	97,849	-
Currency exposures	**1,775,000**	124	2,429,429	5

(1) Excludes prepaid taxes, GST receivables and prepayments.

(2) Excludes corporate tax payables, advance receipts from customers, import duty and sundry payables

A 10% strengthening of United States Dollar against the foreign currencies denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax	
	2023	**2022**
	US$	**US$**
Indonesian Rupiah	**138,445**	**182,207**

A 10% weakening of United States Dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

19 Fair values of assets and liabilities

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables
The carrying amounts of these balances approximate their fair value due to the short-term nature of their balances.

Trade receivables and trade payables
The carrying amounts of these receivables and payables (including trade balances due to holding) approximate their fair values as they are subject to normal trade credit terms.

20 Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2023 US$	2022 US$
Financial assets measured at amortised cost		
Trade and other receivables [1] (Note 8)	**1,795,323**	2,446,535
Cash and cash equivalents (Note 9)	**263,070**	153,681
Total financial assets measured at amortised cost	**2,058,393**	2,600,216
Financial liabilities measured at amortised cost		
Trade and other payables (Note 11) [2]	**508,925**	1,025,082
Lease liabilities (Note 12)	**4,970**	14,003
Total financial liabilities measured at amortised cost	**513,895**	1,039,085

[1] Excludes prepaid taxes, GST receivables and prepayments.

[2] Excludes corporate tax payables, advance receipts from customers, import duty and sundry payables

21 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2023 and 31 March 2022.

Supplementary Statement – For management purposes only. This does not form an integral part of the unaudited financial statements.
For the financial year ended 31 March 2023

	For the year ended 31 March 2023 USD	For the year ended 31 March 2022 USD
REVENUE		
Sales	8,648,901	8,156,227
Sales retuned	(11,053)	-
Total revenue	8,637,848	8,156,227
COST OF SALES		
Opening Stock	4,140,212	983,308
Purchases	6,698,173	5,908,849
Import Duty	93,541	114,341
Freight Charges	128,890	124,630
Warehouse expense	43,095	61,928
Less : Closing Stock	(3,861,776)	(344,974)
	7,242,135	6,848,082
Gross Profit	1,395,713	1,308,145
ADD: OTHER INCOME		
Other income	26,414	1,144
	26,414	1,144
Total income	1,422,127	1,309,289
LESS : ADMINISTRATIVE AND OTHER OPERATING EXPENSES		
Staff costs and benefits:		
Bonus and Compensation Expense	-	45,987
Employee Insurance Expense	388	418
Employee Medical Expense	753	1,651
Meal and Catering	9,017	6,033
Salaries & Overtime Expense	25,647	14,215
Salaries & Overtime Expense - Director	253,634	250,085
Sales Incentive	26,650	22,937
Sales Incentive - Director	30,403	30,868
Balance carried forward	346,492	372,194

	For the year ended 31 March 2023 USD	For the year ended 31 March 2022 USD
Balance brought forward	346,492	372,194
Audit fee	7,984	13,139
Advertising expense	116	-
Bank charges	2,044	1,714
Cleaning & security	335	427
Courier & postage	1,939	2,118
Depreciation of plant & equipment	7,371	7,072
Depreciation of right-of-use assets	11,975	11,972
Entertainment Expense	109	-
Foreign exchange loss	169,134	10,539
Fuel, parking & toll	53	40
Interest expense on lease liability	533	1,101
Legal & license fee	23,758	368
Management fee	604,650	572,010
Office equipment expense	574	1,087
Pantry	385	515
Printing & stationery	134	90
Private car expense	6,546	3,904
Professional fee	23,778	19,295
Rent expense	5,606	8,578
Social security expense	1,236	1,023
Tax accounting fee	15,779	11,198
Tax expense	190	8,149
Telephone & internet	1,626	1,469
Transportation	161	92
Travelling	15,594	1,540
Utilities	39	77
	901,649	677,517
	1,248,141	1,049,711
Profit before taxation	173,986	259,578

USHA MARTIN VIETNAM COMPANY LIMITED
(Incorporated in Vietnam)
Tax code: 0307287151

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2023

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REPORT OF THE BOARD OF MANAGEMENT

The members of the Board of Management of Usha Martin Vietnam Company Limited ("the Company") present this report and the Company's audited financial statements for the year ended March 31, 2023.

THE BOARD OF MANAGEMENT

The members of the Management of the Company who have held business during the year and at the date of this report are as follows:

Board of Management	
Mr. Pham Phu Qui	General Director
Mr. Tapas Gangopadhyay	Director

AUDITORS

The auditors, U&I Auditing Company Limited, have performed audit on the Company's financial statements for the year ended March 31, 2023 and have expressed their willingness to accept reappointment.

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Management is responsible for preparing the financial statements of each fiscal year, which give a true and fair view of the state of affairs of the Company and of its operations and cash flows for the year. In preparing those financial statements, the Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Management confirms that the Company has complied with the above requirements in preparing the financial statements.

The Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company. The Management are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT BY THE BOARD OF MANAGEMENT

I, Pham Phu Qui - General Director, do hereby state that the accompanying financial statements have been properly drawn up in conformity with Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System, and give a true and fair view of the financial position of the Company as at March 31, 2023 and of its results of operations and cash flows for the year then ended.

For and on behalf of the Board of Management,

CONG TY TRÁCH NHIỆM HỮU HẠN USHA MARTIN VIỆT NAM

Pham Phu Qui
General Director
April 20, 2023

U&I AUDIT
CPA & Business Advisors

No.: 02.07-200423/ULSG

INDEPENDENT AUDITORS' REPORT

To: Owner of Usha Martin Vietnam Company Limited

We have audited the accompanying financial statements of Usha Martin Vietnam Company Limited ("the Company"), approved on April 20, 2023, which comprise the balance sheet as at March 31, 2023, the related income statement, the cash flow statement for the year then ended, and the notes to the financial statements, as set out on pages 3 to 18.

Management's responsibility for the financial statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese accounting standards, Vietnamese enterprise accounting system and applicable regulations relevant to the preparation and presentation of financial statements and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese accounting standards, Vietnamese enterprise accounting system and applicable regulations relevant to the preparation and presentation of financial statements in Vietnam.

M.S.D.N: 3700388908-C.T.N.H.H
CÔNG TY TRÁCH NHIỆM HỮU HẠN KIỂM TOÁN U&I
TP. THỦ DẦU MỘT - BÌNH DƯƠNG

Le Hoai Phuong	**Duong Thu Trang**
Deputy General Director	Auditor
Registered No.: 1050-2023-051-1	Registered No.: 1827-2023-051-1
For and on behalf of	
U&I AUDITING COMPANY LIMITED	
April 20, 2023	

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Tel: +84 24 3734 9363

Email: info@uniaudit.vn - Website: www.uniaudit.vn

BALANCE SHEET
As at March 31, 2023

FORM B 01 - DN

Currency: VND

ASSETS	Code	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	**100**		**32,165,647,844**	**33,507,011,793**
I. Cash and cash equivalents	**110**	V.1	**4,398,148,881**	**2,359,870,566**
Cash	111		4,398,148,881	2,359,870,566
II. Short-term accounts receivable	**130**		**11,855,107,506**	**11,989,892,930**
1. Short-term trade accounts receivable	131	V.2	11,600,305,340	11,970,281,723
2. Other short-term receivables	136	V.3	254,802,166	19,611,207
III. Inventories	**140**		**15,675,392,295**	**18,952,594,182**
Inventory	141	V.4	15,675,392,295	18,952,594,182
IV. Other current assets	**150**		**236,999,162**	**204,654,115**
1. Short-term prepaid expenses	151		377,173	324,999
2. Value added tax deductible	152		163,701,577	131,408,704
3. Taxes and amounts receivable from State budget	153	V.8	72,920,412	72,920,412
B. NON-CURRENT ASSETS	**200**		**1,351,680,560**	**1,516,537,852**
I. Long-term receivables	**210**		**173,685,000**	**156,685,000**
Other long-term receivables	216	V.3	173,685,000	156,685,000
II. Fixed assets	**220**		**1,135,852,284**	**1,331,589,324**
Tangible fixed assets	221	V.5	1,135,852,284	1,331,589,324
- Cost	222		1,698,136,364	1,698,136,364
- Accumulated depreciation	223		(562,284,080)	(366,547,040)
III. Other non-current assets	**260**		**42,143,276**	**28,263,528**
1. Long-term prepaid expenses	261		19,790,438	10,002,627
2. Deferred income tax assets	262	V.6	22,352,838	18,260,901
TOTAL ASSETS	**270**		**33,517,328,404**	**35,023,549,645**

BALANCE SHEET
As at March 31, 2023

FORM B 01 - DN

Currency: VND

RESOURCES	Code	Notes	Closing balance	Opening balance
C. LIABILITIES	**300**		**12,820,349,976**	**14,197,563,159**
Short-term liabilities	**310**		**12,820,349,976**	**14,197,563,159**
1. Short-term trade accounts payable	311	V.7	12,639,278,776	13,494,461,363
2. Short-term advances from customers	312		-	611,682,500
3. Taxes and amounts payable to State budget	313	V.8	67,532,900	-
4. Short-term accrued expenses	315	V.9	112,458,300	91,419,296
5. Other short-term payables	319		1,080,000	-
D. OWNER'S EQUITY	**400**	V.10	**20,696,978,428**	**20,825,986,486**
1. Owner's capital	411		6,308,700,000	6,308,700,000
2. Retained earnings	421		14,388,278,428	14,517,286,486
- Retained earnings brought forward	421a		14,517,286,486	11,380,996,887
- Retained earnings in current year	421b		(129,008,058)	3,136,289,599
TOTAL RESOURCES	**440**		**33,517,328,404**	**35,023,549,645**

CÔNG TY TRÁCH NHIỆM HỮU HẠN USHA MARTIN VIỆT NAM

Pham Phu Qui
General Director
April 20, 2023

Pham Thi Mai
Chief Accountant/In charge of report

INCOME STATEMENT

For the year ended March 31, 2023

FORM B 02 - DN

Currency: VND

ITEMS	Code	Notes	Current year	Prior year
1. Gross sales	**01**		**43,829,903,661**	**47,536,430,276**
2. Less deductions	02		111,900,000	-
3. Net sales	**10**	VI.1	**43,718,003,661**	**47,536,430,276**
4. Cost of sales	11	VI.2	38,964,037,369	40,713,841,173
5. Gross profit	**20**		**4,753,966,292**	**6,822,589,103**
6. Financial income	21	VI.3	346,564,755	273,986,216
7. Financial expenses	22	VI.4	1,113,454,199	236,973,921
In which: Interest expenses	23		-	-
8. Selling expenses	25	VI.5	230,917,150	203,865,455
9. General and administration expenses	26	VI.6	3,889,247,404	3,010,174,296
10. Profit from operating activities	**30**		**(133,087,706)**	**3,645,561,647**
11. Other income	31		51,632	4,035,215
12. Other expenses	32		63,921	314,069
13. Profit from other activities	**40**		**(12,289)**	**3,721,146**
14. Net profit before tax	**50**		**(133,099,995)**	**3,649,282,793**
15. Current corporate income tax expense	51	VI.7	-	511,483,493
16. Deferred corporate income tax expense	52	VI.8	(4,091,937)	1,509,701
17. Net profit after tax	**60**		**(129,008,058)**	**3,136,289,599**

CONG TY TRÁCH NHIỆM HỮU HẠN USHA MARTIN VIỆT NAM

Pham Phu Qui
General Director
April 20, 2023

Pham Thi Mai
Chief Accountant/In charge of report

CASH FLOW STATEMENT

FORM B 03 - DN

For the year ended March 31, 2023
(Indirect method)

Currency: VND

ITEMS	Code	Notes	Current year	Prior year
I. Cash flows from operating activities				
Net profit before tax	**01**		**(133,099,995)**	**3,649,282,793**
Adjustments for:				
Depreciation	02		195,737,040	195,737,040
Profits, losses of exchange rate differences from revaluation of accounts derived from foreign currencies	04		17,229,341	23,332,679
Operating profit before changes in working capital	**08**		**79,866,386**	**3,868,352,512**
Increase, decrease in accounts receivable	09		85,492,551	(5,543,496,971)
Increase, decrease in inventories	10		3,277,201,887	(5,588,190,520)
Increase, decrease in accounts payable	11		(1,395,136,635)	6,290,584,672
Increase, decrease in prepaid expenses	12		(9,839,985)	(8,290,558)
Corporate income tax paid	15		-	(608,528,334)
Net cash from, used in operating activities	**20**		**2,037,584,204**	**(1,589,569,199)**
II. Cash flows from investing activities				
Additions to fixed assets	21		-	(1,036,936,364)
Net cash from, used in investing activities	**30**		**-**	**(1,036,936,364)**
III. Cash flows from financing activities				
Net cash from, used in financing activities	**40**		**-**	**-**
Net increase, decrease in cash and cash equivalents	50		2,037,584,204	(2,626,505,563)
Cash and cash equivalents at the beginning of the year	60		2,359,870,566	4,986,261,337
Impacts of exchange rate fluctuations	61		694,111	114,792
Cash and cash equivalents at the end of the year	**70**	V.1	**4,398,148,881**	**2,359,870,566**

CÔNG TY TRÁCH NHIỆM HỮU HẠN USHA MARTIN VIỆT NAM

Pham Phu Qui
General Director
April 20, 2023

Pham Thi Mai
Chief Accountant/In charge of report

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

NOTES TO THE FINANCIAL STATEMENTS FORM B 09 - DN

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

I. CORPORATE INFORMATION

1. Form of ownership

Usha Martin Vietnam Company Limited ("the Company") has been incorporated in Vietnam as a wholly foreign-owned enterprise in the form of a limited liability company under the investment certificate No. 411043000983 granted by the People's Committee of Ho Chi Minh City on February 24, 2009, as replaced by the investment registration certificate with the project code No. 2157937915 dated December 12, 2018 and the enterprise registration certificate No. 0307287151 dated February 24, 2009, together with the amended certificates.

Operational period of the Company's investment project is 50 years since February 24, 2009.

On February 10, 2012, the People's Committee of Long An Province - the Economic Zone Authority granted the Company the branch registration certificate No. 5014000001, which was amended for the first time on March 27, 2012 for establishment of the Company's branch at F.2A, Long Hau - Hiep Phuoc Road, Long Hau Industrial Park, Long Hau Commune, Can Giuoc District, Long An Province, Vietnam.

The head office of the Company is located at No. 18A, Nguyen Gia Tri Street, Ward 25, Binh Thanh District, Ho Chi Minh City, Vietnam.

The Company has leased the warehouse of Toan Phat Services Trading Logistics Joint Stock Company for storage of goods, which is located at No. 100/1G, Dong An 2 Quarter, Binh Hoa Ward, Thuan An City, Binh Duong Province, Vietnam.

Owner of the Company is Usha Martin Singapore Pte. Ltd., incorporated in Singapore.

The Company's total number of staffs at the end of the year is 3 employees (that was 2 employees at the beginning of the year).

2. Business activities

The business activities of the Company in current year are exercising the right to export, the right to import, the right to wholesale distribute (without wholesale establishment), and the right to retail distribute (without retail establishment) goods with the following HS codes: 7206, 7207, 7211, 7213, 7214, 7215, 7217, 7227, 7228, 7229 and 7312 for clients who are traders, units and organizations having the right to distribute the corresponding goods or use such goods in the manufacture and construction processes under the law of Vietnam.

3. Ordinary business cycle

Ordinary business cycle of the Company does not exceed 12 months.

II. FISCAL YEAR, CURRENCY IN BOOKKEEPING

1. Fiscal year

The Company's fiscal year is from April 01 to March 31.

2. Currency

Currency officially used in bookkeeping is Vietnamese Dong (VND).

NOTES TO THE FINANCIAL STATEMENTS FORM B 09 - DN

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

III. APPLICABLE ACCOUNTING STANDARDS AND SYSTEM

1. Applicable accounting system

The Company has applied Vietnamese Accounting System in accordance with Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 75/2015/TT-BTC dated May 18, 2015 and Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance.

2. Declaration of adopting Accounting Standards and Accounting System

The financial statements have been prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards and Vietnamese Enterprise Accounting System.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The financial statements have been translated from Vietnamese version issued in Vietnam into English.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies have been adopted by the Company in the preparation of these financial statements as follows:

1. Foreign currency transactions

Transactions which are not in VND are translated into VND at the real exchange rates as the one which approximates the average transfer selling and buying rate of the commercial bank where the Company has regular transactions. The approximate exchange rate must ensure its difference does not exceed +/-1% compared with the average transfer selling and buying rate.

The average transfer selling and buying rate is determined daily on the basis of arithmetic average between the daily transfer buying rate and selling rate of the commercial bank where the Company has regular transactions.

At the balance sheet date, the Company shall use the transfer exchange rate of the commercial bank where the Company has regular transactions to revaluate the monetary assets and liabilities denominated in foreign currencies. This transfer exchange rate may be the average transfer selling and buying rate of the commercial bank where the Company has regular transactions.

Foreign exchange differences derived from the above transactions are all disclosed in the Income statement.

2. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments for a period not exceeding three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. Receivables

Receivables reflect the amounts which shall be receivable from customers and others, which are presented at net book value as reduced by provision for doubtful debts.

4. Inventories

Inventories are stated at the historical cost. In case the net realizable value is lower than the historical, inventories are stated at the net realizable value. The cost of inventories should comprise all costs of purchase, costs of conversion and other directly attributable costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to make the sale.

Inventories are calculated using the specific identification method.

Inventories are accounted for using the perpetual method.

5. Prepaid expenses

Prepaid expenses comprise short-term and long-term prepaid expenses, reflecting the actual costs incurred but not yet fully charged to the expenses of the period as those costs relate to many bookkeeping periods and are allocated into the expenses over the time in which the economic benefits associated with those costs flow to the enterprise.

6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of purchased fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. Expenses incurred after initial recognition are only entitled to record to increase the historical costs of tangible fixed assets if it is definite that, by using those assets, future economic benefits will surely be obtained from those expenses. Incurred expenses do not satisfy the above criteria are determined as business and operation expenses in the fiscal year.

In case of transfer or disposal of tangible fixed assets, the historical costs and accumulated depreciation are written off while the profit or loss from the transfer or liquidation is recorded into income or expenses in the fiscal year.

Depreciation is charged so as to write off the cost over their estimated useful lives according to the straight-line method. Their estimated useful lives are shown specifically as follows:

	Years
Means of transport and transmission	8 - 10

7. Payables and accrued expenses

Payables and accrued expenses are recognized for amounts which shall be paid in the future related to the goods purchased and the services utilized, irrespective of whether the Company has received the invoices from the suppliers or not.

8. Revenue and income

Sales from selling goods

Sales from selling goods should be recognized when it can be measured reliably and satisfied all the following conditions:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- Sales are determined reliably. When contracts define that buyers are entitled to return products, goods purchased under specific conditions, the Company shall only record sales if such specific conditions no longer exist and buyers are not entitled to return products, goods (unless the customer is entitled to return the goods under the form of exchange for other goods or services); and
- The economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

9. Operating leases

Leases other than financial lease are classified as operating leases. Rentals payable under operating leases are charged to income statement on a straight-line basis over the term of the relevant lease.

10. Taxes

Corporate income tax disclosed in the income statement includes current income tax and deferred income tax.

Current income tax is based on enacted tax rates and the results for the year as adjusted for items, which are deemed non-assessable or disallowed including losses carried forward, if any.

Deferred income tax is calculated using the balance sheet liability method, on temporary differences arising between the tax bases of assets or liabilities and their carrying amount in the balance sheet. Deferred income tax is calculated at the tax rates that are expected to apply in the period when the asset is realized or liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Other taxes are applied in accordance with the prevailing tax laws of Vietnam.

11. Related parties

Parties are considered as related parties if the party is able to control or impact significantly on the other party in proposing decisions on financial and operation policies. Parties are also considered to be related if they are subject to same control or same significant influences.

In considering the relationship of the parties involved, it is focused on the nature of the relationship other than the legal form.

NOTES TO THE FINANCIAL STATEMENTS FORM B 09 - DN

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

V. ADDITIONAL DETAILS OF ITEMS STATED IN THE BALANCE SHEET

1. Cash and cash equivalents

	Closing balance VND	Opening balance VND
Cash on hand	137,539,285	88,793,413
Cash in bank	4,260,609,596	2,271,077,153
Total	**4,398,148,881**	**2,359,870,566**

2. Short-term trade accounts receivable

	Closing balance VND	Opening balance VND
Third parties		
United Mekong Holding	509,069,000	3,046,912,000
Tran Thanh Phong Establishment	3,767,933,460	4,027,055,560
Amos Vietnam Pte Ltd	1,329,955,000	1,368,306,500
Hai Duong Petroleum And Marine Corporation	2,904,055,000	-
Others	3,089,292,880	3,528,007,663
Total	**11,600,305,340**	**11,970,281,723**

3. Other receivables

	Closing balance VND	Opening balance VND
Short-term deposits and mortgages	300,000	300,000
Deposits for office and warehouse leases	173,685,000	156,685,000
Container deposit charges	47,000,000	-
Recovery of import duty and value-added tax on imports	184,290,959	-
Others	23,211,207	19,311,207
Total	**428,487,166**	**176,296,207**
Short-term	254,802,166	19,611,207
Long-term	173,685,000	156,685,000
Total	**428,487,166**	**176,296,207**

4. Inventories

	Closing balance VND	Opening balance VND
Goods in transit	1,862,321,805	3,770,043,433
Merchandise	13,813,070,490	15,182,550,749
Total	**15,675,392,295**	**18,952,594,182**

5. Tangible fixed assets

	Means of transport & transmission VND
Cost	
Opening balance	1,698,136,364
Additions	-
Closing balance	1,698,136,364
Depreciation	
Opening balance	(366,547,040)
Charge for the year	(195,737,040)
Closing balance	(562,284,080)
Carrying amount	
Opening balance	**1,331,589,324**
Closing balance	**1,135,852,284**

6. Deferred income tax assets

The components of the Company's deferred income tax assets comprise:

	Closing balance VND	Opening balance VND
Accrued expenses	22,491,660	18,283,859
Loss/(Gain) on exchange rates revaluated at year-end	(138,822)	(22,958)
Total	**22,352,838**	**18,260,901**

7. Short-term trade accounts payable

	Closing balance VND	Opening balance VND
Related parties		
Usha Martin Singapore Pte. Ltd.	12,639,278,776	11,932,625,446
Usha Martin Limited	-	1,561,835,917
Total	**12,639,278,776**	**13,494,461,363**

As at March 31, 2023, the Company has no outstanding overdue trade accounts payable.

8. Taxes and amounts receivable from, payable to State budget

	Opening balance VND	Payable VND	Paid, withheld VND	Closing balance VND
Value added tax	-	4,461,117,116	(4,461,117,116)	-
Value added tax on imports	-	3,706,735,203	(3,706,735,203)	-
Import export duties	-	451,972,996	(451,972,996)	-
Corporate income tax	(72,920,412)	-	-	(72,920,412)
Personal income tax	-	198,155,480	(130,622,580)	67,532,900
Licensing fee	-	3,000,000	(3,000,000)	-
Total	**(72,920,412)**	**8,820,980,795**	**(8,753,447,895)**	**(5,387,512)**

	Closing balance VND	Opening balance VND
Taxes and amounts receivable from State budget	72,920,412	72,920,412
Taxes and amounts payable to State budget	67,532,900	-

9. Short-term accrued expenses

	Closing balance VND	Opening balance VND
Accrual for sales bonuses	89,700,000	68,661,000
Accrual for audit fees	22,758,300	22,758,296
Total	**112,458,300**	**91,419,296**

10. Owner's equity

According to the Company's investment registration certificate and enterprise registration certificate, the Company's investment capital and charter capital are USD 1,000,000 and USD 300,000 respectively. The paid-up capital by the Company's owner as at March 31, 2023 is as follows:

Per investment registration certificate and enterprise registration certificate		Contributed capital		
		Closing balance		Opening balance
	USD	USD	VND	VND
Usha Martin Singapore Pte. Ltd.	300,000	300,000	6,308,700,000	6,308,700,000
Total	**300,000**	**300,000**	**6,308,700,000**	**6,308,700,000**

Increases, decreases in owner's equity	Share capital VND	Retained earnings VND	Total VND
Opening balance of prior year	**6,308,700,000**	**11,380,996,887**	**17,689,696,887**
Net profit of prior year	-	3,136,289,599	3,136,289,599
Closing balance of prior year, Opening balance of current year	**6,308,700,000**	**14,517,286,486**	**20,825,986,486**
Net profit earned in current year	-	(129,008,058)	(129,008,058)
Closing balance	**6,308,700,000**	**14,388,278,428**	**20,696,978,428**

NOTES TO THE FINANCIAL STATEMENTS FORM B 09 - DN

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

11. Off balance sheet items

	Closing balance	Opening balance
Foreign currencies:		
- USD	2,340.09	2,753.69
- SGD	107.00	107.00

VI. ADDITIONAL DETAILS OF ITEMS DISCLOSED IN INCOME STATEMENT

1. Net sales

	Current year VND	Prior year VND
Merchandise sold	43,829,903,661	47,536,430,276
	43,829,903,661	**47,536,430,276**
Less:		
Sales returns	111,900,000	-
Net sales	**43,718,003,661**	**47,536,430,276**

2. Cost of sales

	Current year VND	Prior year VND
Opening balance of merchandise	18,952,594,182	13,364,403,662
Value of imports in current year	34,843,579,085	45,627,751,646
Import duty on merchandise	451,972,996	204,947,082
Transportation of goods	366,383,401	469,332,965
Quality inspection fees	24,900,000	-
Less: Closing balance of merchandise	(15,675,392,295)	(18,952,594,182)
Total	**38,964,037,369**	**40,713,841,173**

3. Financial income

	Current year VND	Prior year VND
Interest on demand deposits	7,214,739	2,903,389
Interest on term deposits	-	37,209,184
Gain on exchange rates acquired in current year	322,120,675	233,873,643
Gain on exchange rates revaluated at year-end	17,229,341	-
Total	**346,564,755**	**273,986,216**

NOTES TO THE FINANCIAL STATEMENTS FORM B 09 - DN

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

4. Financial expenses

	Current year VND	Prior year VND
Loss on exchange rates incurred in current year	1,113,454,199	213,641,242
Loss on exchange rates revaluated at year-end	-	23,332,679
Total	**1,113,454,199**	**236,973,921**

5. Selling expenses

	Current year VND	Prior year VND
Transportation of goods	131,060,000	173,065,455
Sales commissions	86,037,750	-
Others	13,819,400	30,800,000
Total	**230,917,150**	**203,865,455**

6. General and administration expenses

	Current year VND	Prior year VND
Salaries	2,170,777,091	1,613,174,900
Warehouse and office leases	846,313,790	821,916,603
Others	872,156,523	575,082,793
Total	**3,889,247,404**	**3,010,174,296**

7. Current corporate income tax expense

The Company is obliged to pay the corporate income tax at the standard rate.

	Current year VND	Prior year VND
Profit before tax	(133,099,995)	3,649,282,793
Effect of:		
Adjustments to increase profit before tax	150,941,313	103,138,534
Adjustments to decrease profit before tax	(92,113,407)	(98,967,805)
Taxable income	(74,272,089)	3,653,453,522
Tax loss brought forward	-	-
Assessable income	**(74,272,089)**	**3,653,453,522**
Estimated corporate income tax payable on income from business and production activities	-	730,690,704
Corporate income tax deductible in the year	-	(219,207,211)
Current corporate income tax expense	**-**	**511,483,493**

No provision for current corporate income tax expense has been provided as the Company has no taxable income arising in the year ended March 31, 2023.

Corporate income tax expense for the year ended March 31, 2023 is calculated on the estimated assessable income. Corporate income tax expense will be determined again by the tax authority through their tax reviews.

As the application of tax laws and regulations for different transactions, including the determination of arm's length prices in business transactions between related parties, may be understood in various ways, the corporate income tax expense recognized above may be adjusted in accordance with the conclusive decision of the tax authority.

8. Deferred corporate income tax expense

	Current year VND	Prior year VND
Deferred corporate income tax expense arising from reimbursement of deferred income tax assets	18,260,901	19,770,602
Deferred corporate income tax income arising from deductible temporary differences	(22,352,838)	(18,260,901)
Total	**(4,091,937)**	**1,509,701**

9. Expenses classified by factors

	Current year VND	Prior year VND
Purchases of merchandise	451,972,996	204,947,082
Staff	2,170,777,091	1,613,174,900
Depreciation and amortisation	195,737,040	195,737,040
Outsourcing services	1,368,657,191	1,464,315,023
Others	776,276,633	410,145,753
Total	**4,963,420,951**	**3,888,319,798**

VII. OTHER INFORMATION

1. Operating lease commitment

The Company entered into agreements under operating leases as follows:

- Office lease contract No. 19/11/2013/HDCT dated December 10, 2013, Annex No. 3 on the extension of the office lease contract No. 18A.T201/2022/PLGHHDTVP dated December 28, 2022 with GIC Viet Nam Development and Investment Corporation.
- Warehouse lease contract No. 338-2022/HD/TPL-UMV dated July 19, 2022 with Toan Phat Services Trading Logistics Joint Stock Company.

As at March 31, 2023, future lease amounts due under operating leases are as follows:

	Current year VND	Prior year VND
On demand or within one year	722,697,966	325,325,310
In the second to the fifth year inclusive	736,000,000	-
Total	**1,458,697,966**	**325,325,310**

2. Related-party transactions

Related parties	Relationship
Usha Martin Singapore Pte. Ltd.	Owner
Usha Martin Limited	Group Company
Usha Siam Steel Industries Public Company Limited	Group Company
Mr. Pham Phu Qui	General Director

In the year ended March 31, 2023, the Company entered into significant economic transactions with its related parties as shown in the following table:

Usha Martin Singapore Pte. Ltd.:

	Current year USD	Current year VND	Prior year USD	Prior year VND
Import of goods	1,435,582.11	33,719,302,662	1,927,042.81	44,065,915,729
Quantity (Ton)		*754.461*		*1,051.179*
Proceeds from discount on defective goods	-	-	175.16	4,034,635

Usha Martin Limited:

	Current year USD	Current year VND	Prior year USD	Prior year VND
Import of goods	41,016.82	971,861,998	68,324.77	1,561,835,917
Quantity (Ton)		*41.493*		*62.397*

Usha Siam Steel Industries Public Company Limited:

	Current year USD	Current year VND	Prior year USD	Prior year VND
Import of goods	6,392.15	152,414,425	-	-
Quantity (Ton)		*2.270*		-

	Current year VND	Prior year VND
Salaries and remuneration of General Director	1,384,292,000	1,229,067,000

3. Events arising after the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made to the financial statements.

VIII. APPROVAL TO FINANCIAL STATEMENTS

The financial statements were approved by the Management of the Company for issue on April 20, 2023.

Pham Phu Qui
General Director
April 20, 2023

Pham Thi Mai
Chief Accountant/In charge of report

USHA MARTIN CHINA CO., LTD.
(Incorporated in the People's Republic of China with limited liability)

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS
31 March 2023

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USHA MARTIN CHINA CO., LTD.

FINANCIAL STATEMENTS

Contents

USHA MARTIN CHINA CO., LTD.

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company for the reporting year ended 31 March 2023.

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company for the reporting 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.

The board of directors approved and authorised these financial statements for issue.

Director

Director

P.R. China

13 April 2023

Auditor's report to the Group Auditor on the audit of financial information for group audit purposes

INDEPENDENT AUDITOR'S REPORT

To: The Director of Usha Martin China Co., Ltd.

Report on the Audit of the Financial Statements

This auditors' report should be read in conjunction with the Final Summary Memorandum, which describes the results of our audit procedures.

As requested in your group audit instructions dated 31 March 2023, we have performed an audit, for the purpose of your audit of group financial statements of Usha Martin Singapore Pte Ltd of the financial information ("reporting pack") of Usha Martin China Co., Ltd. (the component) a subsidiary of Usha Martin Singapore Pte Ltd expressed in Chinese RMB as of 31 March 2023 and for the year then ended.

Opinion

We have audited the accompanying financial statements of Usha Martin China Co., Ltd. (the Company) which comprise the statement of financial position as at 31 March 2023, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 ISAs and we have fulfilled the other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the statement by directors set out on page 1.

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.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the IFRS, 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 component'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 component 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 judgment and maintain professional skepticism 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

Restriction on use and distribution

The financial information has been prepared for purposes of providing information to the Usha Martin Singapore Pte Ltd to enable it to prepare the group financial statements. As a result, the financial information is not a complete set of financial statements of Usha Martin China Co., Ltd. in accordance with the group applicable financial reporting framework underlying the group's accounting policies. The Specified Forms may, therefore, not be suitable for another purpose.

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which describe the basis of accounting. The financial statements, which is prepared on non-going concern basis and should not be applied for other purpose.

This report is solely for the information and use of JOE TAN & ASSOCIATES PAC in conjunction with the audit of the group financial statements of Usha Martin Singapore Pte Ltd and should not be used by anyone for any other purpose.

SBA Stone Forest CPA Co Ltd
Shanghai, P.R. China
13 April 2023

USHA MARTIN CHINA CO., LTD.

Statement of Profit or Loss and Other Comprehensive Income
Year Ended 31 March 2023

	Note	Year ended 2023.03.31 RMB	Year ended 2022.03.31 RMB
Revenue		-	-
Cost		-	-
Gross profit		-	-
Other operating income	4	2,645,245	14,279,636
Selling expenses		-	-
General and administrative expenses		(993,953)	(356,418)
Other operating expenses	5	(267,081)	(19,094)
Profit before income tax	6	1,384,211	13,904,124
Income tax expense		(35,661)	(74,898)
Net Profit, representing total comprehensive income for the financial year		1,348,550	13,829,226

The accompanying notes form an integral part of these financial statements

USHA MARTIN CHINA CO., LTD.

Statement of Financial Position
31 March 2023

	Note	2023.03.31 RMB	2022.03.31 RMB
ASSETS			
Trade and other receivables	7	10,215,946	10,079,891
Cash and cash equivalents	11	672,232	981,917
		10,888,178	11,061,808
Total assets		10,888,178	11,061,808
LIABILITIES			
Trade and other payables	8	10,478,263	11,962,479
Tax payable	9	36,934	74,898
Total liabilities		10,515,197	12,037,377
NET ASSETS		372,981	(975,569)
EQUITY			
Share capital	10	3,080,350	3,080,350
Accumulated losses		(2,707,369)	(4,055,919)
Total equity		372,981	(975,569)

The accompanying notes form an integral part of these financial statements

USHA MARTIN CHINA CO., LTD.

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 March 2023

	Share capital RMB	Accumulated losses RMB	Total RMB
Balance at 31 March 2021	3,080,350	(17,885,145)	(14,804,795)
Net profit, represented total comprehensive income for the year	-	13,829,226	13,829,226
Balance at 31 March 2022	3,080,350	(4,055,919)	(975,569)
Net profit, represented total comprehensive income for the year	-	1,348,550	1,348,550
Balance at 31 March 2023	3,080,350	(2,707,369)	372,981

The accompanying notes form an integral part of these financial statements

USHA MARTIN CHINA CO., LTD.

STATEMENT OF CASH FLOWS
Year Ended 31 March 2023

	Note	2023.03.31 RMB	2022.03.31 RMB
Cash flows from operating activities			
Profit before income tax		1,348,550	13,829,226
Adjustments for:		-	-
Amortisation		-	1,400
Loss on disposal of intangible assets		-	19,094
Interest income		(2,399)	(3,169)
Operating profit before working capital changes		1,346,151	13,846,551
Changes in working capital:			
Trade and other receivables		(136,055)	386,458
Trade and other payables		(1,522,180)	(14,562,685)
Cash used from operations		(312,084)	(329,676)
Interest received		2,399	3,169
Net cash generated from operating activities		(309,685)	(326,507)
Net change in cash and cash equivalents		(309,685)	(326,507)
Cash and cash equivalents at beginning of the financial year		981,917	1,308,424
Cash and cash equivalents at end of financial year	11	672,232	981,917

The accompanying notes form an integral part of these financial statements

1. General

The Company, which is incorporated and domiciled in Shanghai of the People's Republic of China, is a wholly-owned subsidiary of Usha Martin Singapore Pte Ltd., incorporated in Singapore.

The registered office and principal place of business of the Company is located at No.461 Hua Jin Road, China (Shanghai) Pilot Free Trade Zone, Shanghai, P.R.China, 200131.

The principal activities of the Company are wholesale, import and export, commission agency (excluding auction) and other related supporting service (including aftersales service and consulting service) of industrial cables and related accessories; international trade, entrepot trade, trade and trade agency between companies within the bonded zone; trade consulting service; commercial simple processing and storage (excluding dangerous goods) within the bonded zone.

The financial information for the year ended 31 March 2023 were authorised for issue by the Board of Directors on 14 April 2023.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the related Interpretations to IFRS ("IFRS INT") as issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

In 2022, the Company is still operating normally. However, the Shareholder of the Company has decided on 11 October 2022 to dissolve the Company, so the financial statements of the Company for the year 2022 shall be prepared on non-going concern basis as described below:

(1) In view of the fact that the Company has no longer applied the underlying accounting assumptions of going concern at the end of 2022, assets and liabilities are no longer classified as current assets (liability) and non-current assets (liability) by its liquidity.

At the end of 2022, the Company's management believes that the Company does not need to bear significant additional liabilities due to the liquidation and cancellation to be carried out in 2023. Therefore, in the financial statements at the end of 2022, the liabilities that may occur in the future liquidation period are not estimated.

(2) The Company's income statement (except for the following adjustments to the value of assets and liabilities due to the Company's non-continuous operation) is still presented based on the results of recognition and measurement of accounting policies and accounting estimates determined in accordance with the accounting standards for business enterprises. At the end of 2022, the Company compares the net realisable value (or recoverable amount) of each asset with its original book value, and measures it according to the principle of the lower of the book value and the net realisable value, and the difference is included in the profit and loss of 2022. At the end of 2022, the amount to be paid off for all liabilities of the Company is equal to its book value.

(3) The Company's cash flow statement is still presented in accordance with the format and item classification criteria specified in the accounting standards for business enterprises.

(4) The presentation basis of the Company's statement of changes in shareholders' equity shall be determined according to the presentation basis of the above balance sheet and profit statement.

(5) The disclosure basis of notes to major items of financial statements in the notes to financial statements of the Company shall be determined respectively according to the above items.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Rental income is recognised from operating leases as income on either a straight-line basis. Another systematic basis is used if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Interest income is recognised using the effective interest method.

Employee benefits

The company contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the company and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charges to profit and loss represents contributions payable by the company to the funds

The subsidiary China has arrangements for defined benefit plans. Under the defined benefit plan, all Chinese employees of the Company participate in employee social security plans, including pension, medical, housing and other welfare benefits, organized and administered by the governmental authorities.

According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the subsidiary are calculated based on percentages of the total salary of employees (or on other basis), subject to a certain ceiling, and are paid to the labour and social welfare authorities. Contributions to the plans are expensed as incurred.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the Chinese Renminbi as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-to-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy

choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

#1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

#2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): A debt asset instrument is measured at fair value through other comprehensive income (FVTOCI) only if it meets both of the following conditions and is not designated as at FVTPL, that is (a): the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are not reclassified subsequent to their initial recognition, except when, and only when, the reporting entity changes its business model for managing financial assets (expected to be rare and infrequent events). The previously recognised gains, losses, or interest cannot be restated. When these financial assets are derecognised, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

#3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.

#4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under IAS 39 is as follows:

(a) Liabilities at fair value through profit or loss:

As at end of the reporting year date there were no financial liabilities classified in this category.

(b) Liabilities at amortised costs:

These liabilities are carried at amortised cost using the effective interest method.

(c) Available-for-sale financial assets:

As at end of the reporting year date there were no financial assets classified in this category.

Fair value measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2C. Critical judgments, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Allowance for trade receivables:
The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note13 on trade and other receivables.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group

The parent company, Perfect Aim(S) Pte Ltd, incorporated in Singapore. Related companies in these financial statements include the members of the parent company's and ultimate parent company's group of companies. Associates also include those that are associates of the parent and related companies.

Name of entity	Relationship with the Company
Usha Martin Singapore Pte Ltd	Parent company
Usha Martin Ltd	Ultimate parent company

3B. Related party transactions

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

3C. Key management compensation

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. During the reporting year, they did not receive any compensation.

3D. Receivables from and payables to related parties

	2023.03.31 RMB	2022.03.31 RMB
Parent company		
Trade payables	(10,215,946)	(11,714,994)
Trade receivables	10,215,946	9,437,675
	-	(2,277,319)

4. OTHER OPERATING INCOME

	2023.03.31 RMB	2022.03.31 RMB
Interest income on bank deposits	2,399	3,169
Waived debts	2,642,846	13,821,894
Gain on foreign exchange,net	-	454,573
	2,645,245	14,279,636

USHA MARTIN CHINA CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
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5. OTHER OPERATING EXPENSES

	2023.03.31 RMB	2022.03.31 RMB
Foreign exchange loss	263,816	-
Loss from disposal of assets	-	19,094
Penalty	3,265	
	267,081	19,094

6. ITEMS IN PROFIT OR LOSS

The following items have been included in arriving at profit before taxes:

	2023.03.31 RMB	2022.03.31 RMB
Consultation and professional fees	184,007	146,649
Rental expense - operating lease	-	12,000
Serverance Allowance	67,082	-
Staff costs		
- salaries and bonus	93,364	93,364

7. TRADE AND OTHER RECEIVABLES

	2023.03.31 RMB	2022.03.31 RMB
Trade receivable		
- Third parties	-	138,469
- Third parties: Allowance for doubtful debts	-	-
- related company	10,215,946	9,437,675
Less: Allowance for impairment	-	(138,469)
	10,215,946	9,437,675
Other receivables		
- VAT recoverable	-	642,216
	-	642,216
	10,215,946	10,079,891

Trade and other receivables are denominated in the following currencies:

	2023.03.31 RMB	2022.03.31 RMB
Chinese renminbi	-	642,216
United States dollar	10,215,946	9,437,675
	10,215,946	10,079,891

USHA MARTIN CHINA CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2023

8. TRADE AND OTHER PAYABLES

	2023.03.31 RMB	2022.03.31 RMB
Trade payables		
- parent company	10,215,946	11,714,994
	10,215,946	11,714,994
Other payables		
- advance from supplier	-	85,701
- accrued operating expenses	251,982	156,980
- Others	10,335	4,804
	262,317	247,485
	10,478,263	11,962,479

Trade and other payables are denominated in the following currencies:

	2023.03.31 RMB	2022.03.31 RMB
Chinese renminbi	262,317	247,485
United States dollar	10,215,946	11,714,994
	10,478,263	11,962,479

9. TAX PAYABLE

	2023.03.31 RMB	2022.03.31 RMB
Enterprise income tax	36,934	74,898

10. SHARE CAPITAL

	2023.03.31 RMB	2022.03.31 RMB
Usha Martin Singapore Pte Ltd	3,080,350	3,080,350
Paid-up capital in registered currency US$	US$500,000	US$500,000

Capital management

The primary objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern and to maintain an adequate and efficient capital structure so as maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares or obtain borrowings from holding company.

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

11. CASH AND CASH EQUIVALENTS

	2023.03.31 RMB	2022.03.31 RMB
Cash and cash equivalents	672,232	981,917

Cash and cash equivalents are denominated in the following currencies:

	2023.03.31 RMB	2022.03.31 RMB
Chinese renminbi	467,288	788,180
United States dollar	7	6
Euro	204,937	193,731
	672,232	981,917

12. Financial instruments: information on financial risks

12A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2023.03.31 RMB	2022.03.31 RMB
Financial assets		
Cash and bank	672,322	981,917
Trade and other receivables	10,215,946	9,437,675
	10,888,268	10,419,592
Financial liabilities		
Trade and other trade payable	10,478,263	11,962,479

12B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

12C. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

12D. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

12E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

12F. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

12G. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.