

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023

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R. VENKATARAMANI & CO.,
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS
SINGAPORE

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31st March 2023.

In the opinion of the directors,

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

Directors

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

Sounder Kannan
Ramasamy Subathra Nagajothi – appointed on 6th May 2022

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at anytime during the financial year was the Company a party to any arrangement 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' interest in shares and debentures

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

	Direct interest		Deemed interest	
	No. of shares		No. of shares	
Name of the Director	At date beginning of the year	At date end of the year	At date beginning of the year	At date end of the year
<u>Company Ordinary shares</u>				
Sounder Kannan	-	-	600	600
<u>Holding Company</u> <u>Naga Limited (India)</u>				
Sounder Kannan	855,655	1,355,127	-	-

Naga Far East Private Limited
Directors' Statement, cont'd
For the financial year ended 31st March 2023

Options to take up unissued shares

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

Options exercised

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

Unissued shares under option

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

Auditor

M/s. R Venkataramani & Co. has expressed their willingness to accept re-appointment as auditor.

On behalf of the board,



Sounder Kannan
Director



Ramasamy Subathra Nagajothi
Director

Singapore

Dated: **30 SEP 2023**



**Independent Auditor's Report to the members of
Naga Far East Private Limited
For the financial year ended 31st March 2023**

Report on the Audit of the Financial Statements

Opinion

We have audited financial statements of **Naga Far East Private Limited** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 then ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 2 to 3).

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

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



**Independent Auditor's Report to the members of
Naga Far East Private Limited
For the financial year ended 31st March 2023**

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 free from material misstatement are, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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.



**Independent Auditor's Report to the members of
Naga Far East Private Limited
For the financial year ended 31st March 2023**

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.

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.

SINGAPORE

DATED: **30 SEP 2023**

R. VENKATARAMANI & CO.,
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS
SINGAPORE

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023

	<u>Notes</u>	<u>2023</u> US\$	<u>2022</u> US\$
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	6	45,059	50,624
Other receivables	7	326	326
		45,385	50,950
Total Assets		45,385	50,950
<u>Equity and Liabilities</u>			
<u>Capital and Reserves</u>			
Share capital	8	75,758	75,758
Accumulated profits/(losses)		(41,496)	(30,649)
		34,262	45,109
<u>Current Liabilities</u>			
Other payables	9	11,123	5,841
Corporate tax	5	-	-
		11,123	5,841
Total Liabilities		11,123	5,841
Total Equity and Liabilities		45,385	50,950

(The annexed notes form an integral part of and should be read in conjunction with these accounts).

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

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

	<u>Notes</u>	<u>2023</u> <u>US\$</u>	<u>2022</u> <u>US\$</u>
Revenue	3	-	-
<u>Other income</u>			
Net gain from futures trading		-	-
<u>Expenses</u>			
Net loss from futures trading		-	-
General & administrative expenses	4	(10,847)	(5,581)
Loss before tax		(10,847)	(5,581)
Income Tax	5	-	-
Loss after tax		(10,847)	(5,581)
Other comprehensive income		-	-
Total comprehensive income for the year after tax		(10,847)	(5,581)

(The annexed notes form an integral part of and should be read in conjunction with these accounts).

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

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

	Share Capital	Accumulated Profits/(loss)	Total
	US\$	US\$	US\$
Balance as on 1st April 2022	75,758	(25,068)	50,690
Add: Total comprehensive income after taxation for the year	-	(5,581)	(5,581)
Balance as on 31st March 2022	75,758	(30,649)	45,109
Add: Total comprehensive income after taxation for the year	-	(10,847)	(10,847)
Balance as on 31st March 2023	75,758	(41,496)	34,262

(The annexed notes form an integral part of and should be read in conjunction with these accounts).

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

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

	<u>Notes</u>	<u>2023</u> US\$	<u>2022</u> US\$
Cash Flows from Operating Activities			
Net loss before taxation		(10,847)	(5,581)
		<u>(10,847)</u>	<u>(5,581)</u>
<u>Change in working capital</u>			
(Increase)/decrease in trade & other receivables		-	-
Increase in trade & other payables		1,920	5,285
Net cash from operating activities		(8,927)	(296)
Cash Flows from Investing Activities			
Net cash used in investing Activities		-	-
Cash Flows from Financing Activities			
Due to/from holding company		3,362	(3,361)
Net cash used in financing activities		3,362	(3,361)
Net increase/(decrease) in cash & cash equivalents		<u>(5,565)</u>	<u>(3,657)</u>
Cash and cash equivalents at the beginning		50,624	54,281
Cash and cash equivalents at the end	7	<u><u>45,059</u></u>	<u><u>50,624</u></u>

(The annexed notes form an integral part of and should be read in conjunction with these accounts).

NAGA FAR EAST PRIVATE LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 201726071D

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2023

1. CORPORATE INFORMATION

The financial statements of the Company for the year ended 31st March 2023, were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

Naga Far East Private Limited is a limited liability non-exempt private Company, incorporated in the Republic of Singapore under Registration No: 201726071D.

The principal activities of the Company are to carry on the business of general importers and exporters. There have been no significant changes in the nature of these activities during the year. As at the date of this report, the Company has not commenced operations of general importers and exporters. During the year 2019, the Company opened a futures commodity trading account and has done trades in the account.

The registered office of the Company is situated at 77 High Street, #03-10 High Street Plaza, Singapore 179433.

The immediate and ultimate holding company is Naga Limited, India.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.2 ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for 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.

2.3 NEW OR REVISED STANDARDS AND INTERPRETATIONS

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 2024
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
Amendments to FRS 116 Leases: Lease Liabilities 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 statement in the year of initial adoption.

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.4 TAXES

a. Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

c. Goods and Services Tax (GST)

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

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

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.5 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and presentation currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements are prepared in Singapore dollars, which is the functional currency of the Company.

Transactions and balances

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

2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such 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 to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. 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.

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 recognized in the profit and loss account.

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.

2. **SIGNIFICANT ACCOUNTING POLICIES, cont'd**

2.7 **FINANCIAL INSTRUMENTS**

a. **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

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, 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.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition 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.

2. **SIGNIFICANT ACCOUNTING POLICIES, cont'd**

2.7 **FINANCIAL INSTRUMENTS, cont'd**

b. **Financial liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

2.8 **IMPAIRMENT OF FINANCIAL ASSETS**

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

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead 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.

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.8 IMPAIRMENT OF FINANCIAL ASSETS, cont'd

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.

2.9 CASH AND CASH EQUIVALENTS

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

2.10 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.

2.11 SHARE CAPITAL

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

2.12 DIVIDEND TO COMPANY'S SHAREHOLDERS

Dividends to Company's shareholders are recognized when the dividends are approved for payment.

2.13 HOLDING COMPANY

Holding company is defined as a company which holds the entire share capital of the Singapore subsidiary company.

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

2.14 RELATED COMPANY

Related Company is defined as a Company in which two of the directors and shareholders of this Company are interested as Directors in the other Company.

- 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 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 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):

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).

2.15 REVENUE

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

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 services

Revenue from trading in futures are recognised when the trade is completed. This is recognised at a point in time.

Interest income

Interest income is recognized using the effective interest method.

Naga Far East Private Limited
Notes to the Accounts for the year ended 31st March 2023

3. PRINCIPAL ACTIVITIES & TURNOVER

Principal activities of the Company are to carry on the business of general wholesale trade (including general importers and exporters). During the year the Company did not have any trading.

4. OTHER OPERATING EXPENSES

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Bank charges	367	81
Professional charges	9,960	5,500
Courier and postages	20	-
Rental charges	500	-
	<u>10,847</u>	<u>5,581</u>

5. INCOME TAX

CURRENT TAX

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Current tax	-	-

The income tax expense varied from the amount of income tax expense determined by applying the Singapore Income tax rate of 17% for the years ended 31st March 2023 and 31st March 2022 to profit before tax as a result of the following differences:

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Loss before tax	(10,847)	(5,581)
Tax calculated @ 17%	(1,844)	(949)
Disallowed expenses	-	-
Deferred tax asset not recognized	1,844	949
	<u>-</u>	<u>-</u>

Deferred tax is not recognized due to the uncertainty of future profits.

6. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Bank balance in current account - USD	45,059	50,624
	<u>45,059</u>	<u>50,624</u>

7. OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Funds in futures commodity trading account	326	326
	<u>326</u>	<u>326</u>

Funds in the futures commodity trading account are in US dollars.

8. SHARE CAPITAL

	<u>2023</u>	<u>2022</u>
	US\$	US\$
<u>Issued and fully paid-up capital</u>		
10,000 equity shares of S\$10.00 each fully paid	75,758	75,758
	<u>75,758</u>	<u>75,758</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares do not have any par value.

9. TRADE AND OTHER PAYABLES

	<u>2023</u>	<u>2022</u>
	US\$	US\$
Other payable – holding company	3,701	341
Expenses payable	7,422	5,500
	<u>11,123</u>	<u>5,841</u>

These are payable to the holding company are non-interest bearing and payable on demand.

10. 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 maximize shareholder value. The capital structure of the Company comprises 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 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 31st March 2023.

11. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table analyses the financial assets and liabilities in the balance sheet by the class of financial instrument which they are assigned and therefore by the measurement basis:

	<u>2023</u> US\$	<u>2022</u> US\$
<u>Financial assets measured at amortised cost</u>		
Cash and cash equivalents (Note 6)	45,059	50,624
Other receivables (Note 7)	326	326
Total financial assets measured at amortised cost	<u>45,385</u>	<u>50,950</u>
<u>Financial Liabilities at amortised cost</u>		
Other payables	11,123	5,841
Total Financial Liabilities at amortised cost	<u>11,123</u>	<u>5,841</u>

12. 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 should be undertaken.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies, and processes for the management of these risks.

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

a. Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including 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 does not require collateral.

12. **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's major classes of financial assets are cash and cash equivalents and trade and other receivables as disclosed in Note 11.

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

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 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's major classes of financial assets are cash and cash equivalents and other receivables as disclosed in Note 11. The Company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing expected credit loss (ECL)
1.	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
2.	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
3.	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit impaired
4.	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

The Company has does not have significant exposure to credit risk.

12. **FINANCIAL RISK MANAGEMENT, cont'd**

a. **Credit Risk, cont'd**

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Other receivables are funds with a futures trading account with a reputable trading firm with high credit ratings and no history of default.

b. **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 objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner.

The Company maintains a sufficient level of cash and cash equivalents and has available adequate facilities to meet its working capital requirements.

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.

<u>2023</u>	Carrying Amount	Contractual cash flows	One year or less	Two and more years
	US\$	US\$	US\$	US\$
<u>Financial assets</u>				
Other receivables	326	326	326	-
Cash and cash equivalents	45,059	45,059	45,059	-
Total undiscounted financial assets	45,385	45,385	45,385	-
<u>Financial liabilities</u>				
Other payables	11,123	11,123	11,123	-
Total undiscounted financial liabilities	11,123	11,123	11,123	-
Total net undiscounted financial assets	34,262	34,262	34,262	-

12. **FINANCIAL RISK MANAGEMENT, cont'd**

b. **Liquidity Risk, cont'd**

<u>2022</u>	Carrying Amount	Contractual cash flows	One year or less	Two and more years
	US\$	US\$	US\$	US\$
<u>Financial assets</u>				
Other receivables	326	326	326	-
Cash and cash equivalents	50,624	50,624	50,624	-
Total undiscounted financial assets	50,950	50,950	50,950	-
<u>Financial liabilities</u>				
Other payables	5,841	5,841	5,841	-
Total undiscounted financial liabilities	5,841	5,841	5,841	-
Total net undiscounted financial assets	45,109	45,109	45,109	-

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 optimizing the return on risk.

i. **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have exposure to interest bearing financial instruments.

ii. **Foreign currency risk**

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in 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 and selling in the same currencies, where necessary, buying or selling foreign currencies at spot rates to address short term imbalances.

The Company does not expect significant effect on the Company's profit or loss arising from movement in foreign exchange rates.

13. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and 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 for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables, and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

14. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's 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.

Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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 determine the sales prices of its goods and services.

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.
