

PINEHILLS (SINGAPORE) PTE LTD
(Incorporated in Singapore Registration Number: 201132797G)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2021

PINEHILLS (SINGAPORE) PTE LTD
(Incorporated in Singapore Registration Number: 201132797G)

FINANCIAL STATEMENTS
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PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

DIRECTOR'S STATEMENT

For the financial year ended 31 March 2021

The sole director is pleased to present his statement to the members together with the audited financial statements of **PINEHILLS (SINGAPORE) PTE LTD** (the "Company") for the financial year ended 31 March 2021.

1. OPINION OF THE DIRECTOR

In my opinion,

- (a) The financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. DIRECTOR'S RESPONSIBILITY

I, the sole director of **PINEHILLS (SINGAPORE) PTE LTD** do hereby state that, we are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards. The responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies;
- (c) making accounting estimates that are reasonable in the circumstances; and
- (d) assessing the risk of fraud and communicate to governing body on outcome of those assessment

3. DIRECTOR

The sole director in office at the date of this report is: -

SOMESH GANERIWAL

PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

DIRECTOR'S STATEMENT

For the financial year ended 31 March 2021

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

5. DIRECTOR'S INTEREST IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of directors' shareholding kept by the Company under section 164 of the Singapore Companies Act, chapter 50 (the "Act"), except as follows:

	Direct interest		Deemed interest	
	At the beginning of financial year or date of appointment	At the end of financial year	At the beginning of financial year or date of appointment	At the end of financial year
	<u>01.04.2020</u>	<u>31.03.2021</u>	<u>01.04.2020</u>	<u>31.03.2021</u>
<u>Immediate holding company</u>				
Kothari Products				
Singapore Pte Ltd	100,001	100,001	-	-

6. SHARE OPTIONS

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

-

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

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

PINEHILLS (SINGAPORE) PTE LTD

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DIRECTOR'S STATEMENT

For the financial year ended 31 March 2021

7. AUDITOR

The independent auditor T. Ravi & Co., Public Accountant and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

The Sole Director,



SOMESH GANERIWAL
Director

Singapore,

11 JUN 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PINEHILLS (SINGAPORE) PTE LTD**

Report on the Audit of Financial Statements

Qualified Opinion

We have audited the financial statements of **PINEHILLS (SINGAPORE) PTE LTD. (the "Company")** which comprise the Statement of Financial Position as at **31 March 2021**, and 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 and other explanatory information set out on pages 9 to 32.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified opinion section of our report, the accompanying financial statements of company and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position the Company as at **31 March 2021** and of the financial performance and changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Qualified Opinion

The investee company applied for strike off and it was gazetted on 13 April 2021 which subsequently suspended the strike off action on 14 May 2021. We are unable to verify the valuation of Investee Company against the value stated in the financial statements of the company as at 31 March 2021.

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 Group 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 Director's Statement (set out on pages 2 to 4) but does not include the financial statements and our auditors report thereon.

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

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

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 Companies 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group'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 the financial statements.

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



T Ravi & Co
Chartered Accountants

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Singapore 069533

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info@travi-co.com

- Identify and assess the risks of material misstatement of 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 Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Report on Other Legal and Regulatory Requirements

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



T Ravi & Co.,
Public Accountants and
Chartered Accountants of Singapore.
Singapore,

11 June 2021.

PINEHILLS (SINGAPORE) PTE LTD*(Incorporated in Singapore Registration Number: 201132797G)***STATEMENT OF FINANCIAL POSITION***For the financial year ended 31 March 2021*

	Note	2021 \$	2020 \$
ASSETS			
Non-current asset			
Investment	4	1,122,720	1,122,720
Amount owing from immediate holding company	5	700,000	-
		<u>1,822,720</u>	<u>1,122,720</u>
Current assets			
Amount owing from immediate holding company	5	117,824	831,534
Cash and bank balances	6	11,730	8,811
		<u>129,554</u>	<u>840,345</u>
Current liabilities			
Other payables and accruals	7	5,370	11,980
Provision for taxation	8	-	-
		<u>5,370</u>	<u>11,980</u>
Net current assets		<u>124,184</u>	<u>828,365</u>
Net assets		<u>1,946,904</u>	<u>1,951,085</u>
EQUITY			
Share capital	9	100,001	100,001
Retained profit		1,846,903	1,851,084
Total equity		<u>1,946,904</u>	<u>1,951,085</u>

PINEHILLS (SINGAPORE) PTE LTD*(Incorporated in Singapore Registration Number: 201132797G)***STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME***For the financial year ended 31 March 2021*

		1-Apr-20 To 31-Mar-21 \$	1-Apr-19 To 31-Mar-20 \$
	<u>Note</u>		
Revenue		-	-
Direct costs - purchases and incidentals		-	-
Other operating expenses		(4,181)	(11,320)
Net loss before taxation	10	(4,181)	(11,320)
Income tax	8	-	-
Net loss for the year		(4,181)	(11,320)
Other comprehensive income		-	-
Income tax on other comprehensive income		-	-
Total comprehensive loss for the year		(4,181)	(11,320)

PINEHILLS (SINGAPORE) PTE LTD

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STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2021

	Issued share capital \$	Retained profit \$	Total \$
As at 1 April 2019	100,001	1,862,404	1,962,405
Total comprehensive loss for the year	-	(11,320)	(11,320)
As at 31 March 2020	<u>100,001</u>	<u>1,851,084</u>	<u>1,951,085</u>
Total comprehensive loss for the year	-	(4,181)	(4,181)
As at 31 March 2021	<u><u>100,001</u></u>	<u><u>1,846,903</u></u>	<u><u>1,946,904</u></u>

PINEHILLS (SINGAPORE) PTE LTD*(Incorporated in Singapore Registration Number: 201132797G)***STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2021*

	2021 \$	2020 \$
Cash flows from operating activities		
Loss before income tax	(4,181)	(11,320)
Gain on sale of investment	-	-
Operating cash (outflow) before working capital changes	(4,181)	(11,320)
Amount owing from immediate holding company	13,710	7,660
Other payables and accruals	(6,610)	3,150
Cash generated/(used in) from operating activities	2,919	(510)
Income tax paid	-	-
Net cash generated/(used in) from operating activities	2,919	(510)
Net increase/(decrease) in cash and cash equivalents	2,919	(510)
Cash and cash equivalents at beginning of the year	8,811	9,321
Cash and cash equivalents at the end of the year	11,730	8,811

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

1. GENERAL

The Company is domiciled and incorporated in Singapore with its registered office at 101 Cecil Street, #09-01, Tong Eng Building, Singapore 069 533.

The principal activity of the Company is investments holding.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements which are expressed in Singapore dollars are prepared in accordance with the historical cost convention and or as modified to its fair value and in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standard Council and the disclosure requirements of the Singapore Companies Act Chapter 50.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting 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 financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed elsewhere in this financial statements.

In 2019, the company adopted the new or revised FRS and interpretations to FRS (INT FRS) that are applicable in the current financial year. The adoption of this FRS/INT FRS did not result in substantial changes to the company's accounting policies. The directors anticipate that the adoption of FRS and INT FRS that have issued but not yet effective until future periods will not have any material impact on the financial statements of the company.

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for financial periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on financial performance or position of the Company.

(b) 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:

	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendment to FRS 116 Leases : Covid-19 Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments,	
FRS 39 Financial Instruments Recognition and Measurement	1 January 2021
FRS107 Financial Instruments : Disclosures,	1 January 2021
FRS 104 Insurance contracts	1 January 2021
FRS 116 Leases : Interest rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 Property, plant and equipment:	
Proceeds before intended use	1 January 2022
Amendments to FRS 37 Cost of fulfilling a contract	1 January 2022
Annual improvements to FRS 2018 -2020	1 January 2022
Amendments to FRS 1 Presentation of Financial statements:	
-Classification of liabilities as current or non-current	1 January 2023
Amendments to FRS 110 Consolidated Financial statements	
And FRS 28 Investment in Associates and Joint Ventures-	
Sale or contribution of Assets between an Investor and its	
Associates or Joint venture.	Date to be known.

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

2.3 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.

2.4 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.

PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

PINEHILLS (SINGAPORE) PTE LTD

(Incorporated in Singapore Registration Number: 201132797G)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

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

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

2.5 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.

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The Company considers a financial asset in default when contractual payments are 120 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.

2.6 LOANS AND OTHER RECEIVABLES

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method.

Gains and losses are recognised in the profit and loss statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process

2.7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and bank deposits and highly liquid investments, which are readily convertible to cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft, if any, which are repayable on demand and which form an integral part of the company's cash management. Restricted deposits are excluded from cash and cash equivalents.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 TRADE PAYABLES

Trade creditors are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company and subsequently measured at amortised cost, using the effective interest method. Other payables and accruals are recognised when the Company has a legal or constructive obligation as a result of past events, that it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

2.9 PROVISION

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.

2.10 PROVISION FOR TAXATION

(a) Current income tax

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

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

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

2.11 SHARE CAPITAL

Proceeds from issue of ordinary shares are recognised as share capital in equity. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the company's equity holders a no gain or loss is recognised in the profit and loss statement.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 REVENUE RECOGNITION

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

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of finished goods

The Company sells mesh products.

Revenue is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The goods are often sold with a right of return and with retrospective volume rebates based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price, net of the estimated volume rebates and adjusted for expected returns. Based on the Company's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Company recognises the expected volume rebates payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Company recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjust them against cost of sales correspondingly.

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

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

The Company has elected to apply the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred where the amortisation period of the asset that would otherwise be recognised is one year or less.

(b) Rendering of services

The company is not involved in rendering services.

2.13 GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.14 FINANCE COSTS

Interest expense and similar charges are expensed in the profit and loss statement on the period in which they are incurred, except to the extent that they are capitalised as being attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the profit and loss statement using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 FAIR VALUE FINANCIAL INSTRUMENTS

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The carrying values of current financial assets and financial liabilities including cash, accounts receivable, short-term borrowings, account payable, if any, approximate their values due to the short-term maturity of these instruments. The fair values of non-current financial instruments are not disclosed unless there are significant items at the end of the year and in the event the fair values are disclosed in the relevant notes. Disclosures of fair value are not made when the carrying amount is a reasonable approximation of fair value. The maximum exposure to credit risk is the fair value of the financial instruments at the balance sheet date.

2.16 EMPLOYEE BENEFIT

(a) Defined contribution plans

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

(b) Short-term employee benefits

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

2.17 RELATED PARTIES

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- (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).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The 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, 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 period.

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

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(i) Useful lives of Plant and Equipment

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

(ii) Income taxes

Significant judgment is required in determining the provision for unsettled trade receivables and deductibility of such amount from the income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provisions in the year in which such determination is made.

The carrying amount of company's tax liabilities at 31 March 2021 was Nil/- (2020: Nil/-)

(iii) 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.

(iv) Revenue recognition

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

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4. INVESTMENT

	2021	2020
	\$	\$
Investment in NH2 Ltd	<u>1,122,720</u>	<u>1,122,720</u>
	<u>1,122,720</u>	<u>1,122,720</u>

INVESTMENT IN UNQUOTED SHARES

The Group has invested in NH2 Limited is an active company incorporated on 25 July 2015 with the registered office located in city London.

Investment is denominated in United States Dollars.

5. AMOUNT OWING FROM IMMEDIATE HOLDING COMPANY

The amount owed from immediate holding company, unsecured, interest free and repayable on demand. The carrying amounts are assumed to be a reasonable approximation of fair values.

6. CASH AND BANK BALANCES

The cash and bank balances as at the balance sheet date are:

	2021	2020
	\$	\$
Cash in hand	1	1
Cash at bank	<u>11,729</u>	<u>8,810</u>
	<u>11,730</u>	<u>8,811</u>

The carrying amounts are assumed to be a reasonable approximation of fair values.

The cash and bank balances are denominated in the following currencies.

	2021	2020
	\$	\$
Singapore dollars	4,259	840
United states dollars	<u>7,471</u>	<u>7,971</u>
	<u>11,730</u>	<u>8,811</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

7. OTHER PAYABLES AND ACCRUALS

	2021	2020
	\$	\$
Accruals	5,370	11,980
	<u>5,370</u>	<u>11,980</u>

Other payables are consist of accruals and are denominated in Singapore dollars.

The carrying amounts are assumed to be a reasonable approximation of fair values.

8. TAX

(a) Tax expense/(credit)

	2021	2020
	\$	\$
Current taxation	-	-
Over provision in prior year	-	-
	<u>-</u>	<u>-</u>

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

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2021	2020
	\$	\$
Accounting (loss)/profit before tax	<u>(4,181)</u>	<u>(11,320)</u>
Tax calculated at corporate tax rate of 17%	711	1,924
Deferred tax benefit not recognised	(711)	(1,924)
Others	-	-
Net tax payable	<u>-</u>	<u>-</u>

b) Movement in current income tax liability

	2021	2020
	\$	\$
Balance at beginning of financial year	-	-
Tax expense on profit for current financial year	-	-
(Over)provision of previous year	-	-
Balance at end of financial year	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

9. SHARE CAPITAL

Issued and paid-up ordinary share capital

	2021	2020
	\$	\$
100,001 ordinary share	100,001	100,001
Balance at end of financial year	<u>100,001</u>	<u>100,001</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 carry no right to fixed income.

10. NET (LOSS)/PROFIT BEFORE TAXATION

	2021	2020
	\$	\$
Bank Charges	<u>344</u>	<u>510</u>

11. FINANCIAL RISK MANAGEMENT

Risk management

The company does not have any specific written financial risk management policies, business strategies and its risk management philosophy. The company's overall financial risk management programme seeks to minimise potential adverse effects of the financial performance of the company. The company does not hold or issue derivative financial instruments for speculative purpose. There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures risk. The main risks arising from the company's financial instruments are liquidity risk, market risk, other risks being credit risk, foreign currency risk, interest rate risk are minimum. The management monitors and controls its main risks in the following manner:

Credit Risk

Financial instruments contain an element of risk in that the counterparties may be unable to meet their obligations.

(a) Financial Credit Risk

Surplus cash and cash equivalents are placed with established financial institutions.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

(b) Commercial Credit Risk

The management minimises this risk by analysing the credibility of its clients. In addition, it monitors the repayment terms of its debtors on a regular basis. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The company's exposure to credit risk arises primarily from amount due from holding company.

The company minimises the concentration of credit risk by analysing the credibility of its clients. In addition, it monitors the repayment terms of its debtors on a regular basis. The company has policies in place to ensure that services are provided to customers with adequate financial standing.

The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk

At the balance sheet date, the company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

Foreign Currency Risk

The company does not engage in foreign currency denominated transactions. As such, the company is not exposed to foreign exchange risk.

The company's currency exposure to United States Dollars is follows:-

	2021	2020
	\$	\$
Investment in NH2	1,122,720	1,122,720
Cash and bank balances	7,471	7,972
	<u>1,130,191</u>	<u>1,130,692</u>

Based on the balances as at 31 March 2020, if the United States Dollar had strengthened/weakened by 10% against the Singapore Dollar with all other variables including tax rate being held constant, the company's profit after tax for the financial year would have been 2021: \$113,019/- (2020: \$113,069/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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 movement in market interest rates is minimised as the company has a policy to maintain cash equivalents and borrowings in fixed rate instruments. The company sometimes borrows at floating rates which have the economic effect as the company agrees with other parties on specified rates, which is fixed on banker's lending rate together with variable components. However at the financial year end, there is no interest rate risk.

Liquidity risk

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

Financial assets

	2021	2020
	\$	\$
Amount owing from immediate holding company	817,824	831,534
Cash and bank balances	11,730	8,811
	<u>829,554</u>	<u>840,345</u>

Financial liabilities through amortised cost

	2021	2020
	\$	\$
Other Payables	<u>5,370</u>	<u>11,980</u>

The company manages liquidity risk by maintaining sufficient cash to meet normal operating commitments. All trade and other payable are due within one year. The company obtains its financial support from its holding company as and when required for the operation of the company.

12. CAPITAL MANAGEMENT

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. 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 adjusts the dividend payment to shareholders, return capital to shareholders or issue new shares.

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

No changes were made in the objectives, policy or process during the years ended 31 March 2021 and 31 March 2020.

The gearing ratios is not calculated as the company don't have any external borrowings.

13. FINANCIAL INSTRUMENTS

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

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

14. NET FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

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

Financial assets

	2021	2020
	\$	\$
Amount owing from immediate holding company	817,824	831,534
Cash and bank balances	11,730	8,811
	<u>829,554</u>	<u>840,345</u>

PINEHILLS (SINGAPORE) PTE LTD

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

15. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 01 April 2021. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

16. DEVELOPMENT OF COVID -19 OUTBREAK

COVID-19 Outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the company is therefore unable to provide a quantitative estimate of the potential impact of this outbreak of the company. The company continues to monitor and evaluate any possible impact on the company's business and will consider implementation of various measures to mitigate the effects arising from the COVID-19 situation. Based on management's latest assessment, there is no indicator that the going concern assumption used by the company in preparing financial statements is inappropriate.

17. HOLDING COMPANY

The Company is a wholly-owned subsidiary of **KOTHARI PRODUCTS SINGAPORE PTE LTD** (Registration Number: 200809977K), incorporated in Singapore and its ultimate holding company is **KOTHARI PRODUCTS LIMITED** (Registration Number: T08UF2112B), incorporated in India.

18. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **PINEHILLS (SINGAPORE) PTE LTD** dated on 11 June 2021.

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

PINEHILLS (SINGAPORE) PTE LTD*(Incorporated in Singapore Registration Number: 201132797G)***DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME***For the financial year ended 31 March 2021*

	2021	2020
	\$	\$
Sales	-	-
Less: Purchase	-	-
Gross profit	<u>-</u>	<u>-</u>
LESS: OPERATING EXPENSES		
Audit fee	3,150	10,810
Bank charges	687	510
Exchange gain/loss	344	-
TOTAL OPERATING EXPENSES	<u>4,181</u>	<u>11,320</u>
NET LOSS BEFORE TAXATION	(4,181)	(11,320)
Income tax	-	-
NET LOSS AFTER TAXATION	<u>(4,181)</u>	<u>(11,320)</u>