

# **IPCL PTE. LTD.**

(Incorporated in Singapore)

Company Reg No.: 201326959C

## **Audited Financial Statements for the Financial Year Ended 31 March 2019**

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**AAA Assurance PAC**  
**Public Accountants and Chartered Accountants**  
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## **IPCL PTE. LTD.**

### **DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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The directors are pleased to present their statement to the member together with the audited financial statements of IPCL PTE. LTD. (the "Company") for the financial year ended 31 March 2019.

#### **Opinion of the Directors**

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 31 March 2019 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, with the continuing financial support from the holding 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:

Salmiah Binte Sarpiai  
Goswami Asok Kumar

#### **Arrangements to Enable Directors to Acquire Shares or Debentures**

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

#### **Directors' Interest in Shares or Debentures**

According to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interest in the shares or debentures of the Company and its related corporations.

#### **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.

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

**IPCL PTE. LTD.**

DIRECTORS' STATEMENT - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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**Independent auditor**

The independent auditor, AAA Assurance PAC has expressed its willingness to accept re-appointment as auditor.

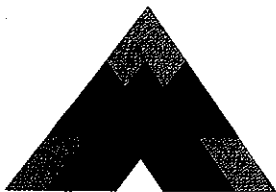
The Board of Directors

  
\_\_\_\_\_  
**Salmiah Binte Sarpiai**  
Director

  
\_\_\_\_\_  
**Goswami Asok Kumar**  
Director

Singapore

06 MAY 2019



**IPCL PTE. LTD.**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

**Independent Auditor's Report to the Member of IPCL Pte. Ltd.**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of IPCL Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, 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, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

*Basis for Opinion*

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

*Material Uncertainty Related to Going Concern*

We draw attention to Note 2(a) in the financial statements, which indicates that the Company incurred a net loss of \$91,126 (2018: \$764,903) during the year ended 31 March 2019 and, as of that date, the Company's total and current liabilities exceeded its total and current assets by \$1,006,439 (2018: \$915,313). As stated in Note 2(a), these events on conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*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.

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**IPCL PTE. LTD.**

**INDEPENDENT AUDITOR'S REPORT - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

*Other Information - continued*

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

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

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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**AAA ASSURANCE PAC**  
**PUBLIC ACCOUNTANTS**  
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Co. Reg. No. 201408818E  
GST Reg. No. 201408818E

**IPCL PTE. LTD.**

**INDEPENDENT AUDITOR'S REPORT - continued**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

*Auditor's Responsibilities for the Audit of the Financial Statements - continued*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*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.

**AAA Assurance PAC**  
**Public Accountants and Chartered Accountants**

Singapore

06 MAY 2019

**IPCL PTE. LTD.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	<u>Note</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<b>Revenue</b>		-	-
Administrative and Other Expenses		(12,493)	(11,480)
Interest on Loan from Holding Company		(78,633)	(71,367)
Impaired Investment Written Off			
- Subsidiary		-	(8,193)
- Held-to-Maturity		-	(141,669)
Sundry Balances Written Off			
- Prepayments		-	(490,910)
- Other Receivables		-	(41,284)
<b>Loss before Income Tax</b>	4	<u>(91,126)</u>	<u>(764,903)</u>
Income Tax Expense	5	-	-
<b>Loss for the Year, Representing Total Comprehensive Loss for the Year</b>		<u><u>(91,126)</u></u>	<u><u>(764,903)</u></u>

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



**IPCL PTE. LTD.****STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
<b>Current Assets</b>			
Cash and Cash Equivalents		1,977	6,185
Prepayments	6	2,399	3,560
		4,376	9,745
<b>Current Liabilities</b>			
Other Payables	7	16,610	16,590
Amount Due to Holding Company	8	994,205	908,468
		1,010,815	925,058
<b>Net Current Liabilities</b>		<u>(1,006,439)</u>	<u>(915,313)</u>
<b>Equity</b>			
Share Capital	9	12,000	12,000
Accumulated Losses		(1,018,439)	(927,313)
<b>Equity Attributable to Owner of the Company</b>		<u>(1,006,439)</u>	<u>(915,313)</u>

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

**IPCL PTE. LTD.****STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 April 2017</b>	<b>12,000</b>	<b>(162,410)</b>	<b>(150,410)</b>
Loss for the Year, Representing Total Comprehensive Loss for the Year	-	(764,903)	(764,903)
<b>At 31 March 2018</b>	<b>12,000</b>	<b>(927,313)</b>	<b>(915,313)</b>
Loss for the Year, Representing Total Comprehensive Loss for the Year	-	(91,126)	(91,126)
<b>At 31 March 2019</b>	<b>12,000</b>	<b>(1,018,439)</b>	<b>(1,006,439)</b>

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

**IPCL PTE. LTD.****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Cash Flows from Operating Activities</b>		
Loss before Income Tax	(91,126)	(764,903)
Adjustment for:		
Interest on Loan from Holding Company	78,633	71,367
Impaired Investment Written Off		
- Subsidiary	-	8,193
- Held-to-Maturity	-	141,669
Sundry Balances Written Off		
- Prepayments	-	490,910
- Other Receivables	-	41,284
<b>Change in Working Capital:</b>	<u>(12,493)</u>	<u>(11,480)</u>
Prepayments	1,161	(1,532)
Other Receivables	-	(41,284)
Other Payables	20	1,853
<b>Net Cash Used in Operating Activities</b>	<u>(11,312)</u>	<u>(52,443)</u>
<b>Cash Flows from Financing Activities</b>		
Interest Paid	(78,633)	(71,367)
Amount due to Holding Company	85,737	127,162
<b>Net Cash Generated from Financing Activities</b>	<u>7,104</u>	<u>55,795</u>
<b>Net (Decrease)/ Increase in Cash and Cash Equivalents</b>	(4,208)	3,352
Cash and Cash Equivalents at the Beginning of the Financial Year	6,185	2,833
Cash and Cash Equivalents at the End of the Financial Year	<u>1,977</u>	<u>6,185</u>
<b>Comprising:</b>		
Cash at Bank	<u>1,977</u>	<u>6,185</u>

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

## **IPCL PTE. LTD.**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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

#### **1. General**

The Company is incorporated and domiciled in Singapore. The registered office of the Company is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of distribution and supply of electrical energy of all kinds and related investments and to own, operate and maintain power generation and related activities. There has been no significant change in the nature of these activities during the financial year.

However, the Company did not trade since the incorporation date.

#### **Immediate and Ultimate Holding Company**

The company is 100% owned by **INDIA POWER CORPORATION LIMITED**, a company incorporated in India, which is also its ultimate holding company.

#### **2. Summary of Significant Accounting Policies**

##### **(a) Basis of Preparation**

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (\$), which is the Company's functional currency. All financial information is presented in Singapore Dollars rounded to the nearest one-dollar unless otherwise indicated.

As at 31 March 2019, the Company incurred a net loss of \$91,126 (2018: \$764,903) and as at that date, the Company's total and current liabilities exceeded its total and current assets by \$1,006,439 (2018: \$915,313). The financial statements have been prepared on a going concern basis as the ultimate holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and the ultimate holding Company will not demand for payment due to them for the next twelve months.

##### **(b) Adoption of New and Amended Standards and Interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2018. Except for the adoption of FRS 109 *Financial Instruments* and FRS 115 *Revenue from Contracts with Customers* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Company.

**2. Summary of Significant Accounting Policies - continued**

**(b) Adoption of New and Amended Standards and Interpretations - continued**

The following standards and interpretations are effective for the annual period beginning on or after 1 April 2019:

- FRS 109 *Financial Instruments*
- FRS 115 *Revenue from Contracts with Customers*
- Improvements to FRSs (December 2016)
  - *Amendments to FRS 28 Measuring an Associate or Joint Venture at Fair Value*
- *Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions*
- *Amendments to FRS 40 Transfers of Investment Property*
- INT FRS 122 *Foreign Currency Transactions and Advance Consideration*

**FRS 109 Financial Instruments**

FRS 109 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied FRS 109 retrospectively, with an initial application date of 1 January 2018. The Company has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption, if any, was included in the opening retained earnings and other components of equity at the date of initial application.

There was no effect of adopting FRS 109 as at 1 April 2018.

The nature of the changes relevant to the Company are described below:

**(i) Classification and measurement**

Under FRS 109, debt instruments are subsequently measured either at fair value through profit or loss (FVPL), amortised cost or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

**2. Summary of Significant Accounting Policies - continued**

**(b) Adoption of New and Amended Standards and Interpretations - continued**

**(i) Classification and measurement - continued**

The classification and measurement requirements of FRS 109 did not have a significant impact to the Company. The Company continued measuring at fair value all financial assets previously held at fair value under FRS 39.

The Company has not designated any financial liabilities at FVPL. There are no changes in classification and measurement for the Company's financial liabilities.

**(ii) Impairment**

The adoption of FRS 109 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Company to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of FRS 109, the Company did not have to recognise additional impairment of on the Company's trade and other receivables as at 1 January 2018.

**FRS 115 Revenue from Contracts with Customers**

FRS 115 supersedes FRS 11 *Construction Contracts*, FRS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The cumulative effect of initially applying FRS 115 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations.

There were no effects upon adopting FRS 115 as at 1 January 2018.

**2. Summary of Significant Accounting Policies - continued**

**(b) Adoption of New and Amended Standards and Interpretations - continued**

FRS 115 Revenue from Contracts with Customers - continued

Each financial statement line item was not affected by FRS115 adjustments for the year ended 31 March 2019 as a result of the adoption of FRS 115. The adoption of FRS 115 did not have a material impact on other comprehensive income or the Company's operating, investing and financing cash flows.

The company does not have contracts with customers with:

- (i) Variable considerations such as rights of return and volume rebates,
- (ii) Service – type warranty
- (iii) Bundled sales
- (iv) Purchases on behalf as an agent

**(c) Standards Issued but Not yet Effective**

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 109 Prepayment Features with Negative Compensation	1 January 2019
Amendments to FRS 28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to FRSs (March 2018)	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 116, the director expects that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 are described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

**2. Summary of Significant Accounting Policies - continued**

**(c) Standards Issued but Not yet Effective - continued**

FRS 116 Leases - continued

The Company plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 April 2019.

On the adoption of FRS 116, the Company expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 April 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 April 2019.

In addition, the Company plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 April 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Company adopts FRS 116 in 2019.

On the adoption of FRS 116, the Company expects to recognise right-of-use assets and lease liabilities for its leases previously classified as operating leases, with a corresponding adjustment in the opening retained earnings and its related tax impact as of 1 April 2019.



**2. Summary of Significant Accounting Policies - continued**

**(d) 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 when an annual impairment testing for an asset is required), the Company makes an estimates 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 loss 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.

**(e) Financial Instruments**

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

**(i) 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.

**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.

**2. Summary of Significant Accounting Policies - continued**

**(e) Financial Instruments – continued**

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018: - continued

**(i) Financial Assets - continued**

**Subsequent Measurement – continued**

*Investments in debt instruments – continued*

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 assets is derecognised when 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 has been recognised in other comprehensive income is recognised in profit or loss.

**(ii) Financial Liabilities**

**Initial Recognition and Measurement**

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

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

**2. Summary of Significant Accounting Policies - continued**

**(e) Financial Instruments - continued**

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018: - continued

**(ii) Financial Liabilities - continued**

**Subsequent Measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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 derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

**(i) Financial Assets**

**Initial Recognition and Measurement**

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company has the following non-derivative financial assets: loans and receivables.

**Subsequent Measurement**

*Loans and Receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise cash and cash equivalents.

**2. Summary of Significant Accounting Policies - continued**

**(e) Financial Instruments - continued**

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018: - continued

**(i) Financial Assets – continued**

**Subsequent Measurement – continued**

*Loans and Receivables – continued*

Cash and cash equivalent comprise cash at bank.

*Held-to-Maturity Investment*

Bonds with fixed or determinable payments and fixed maturity dates where the Company has a positive intent and ability to hold to maturity date are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

**De-recognition**

A financial asset is derecognised when 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 has been recognised in other comprehensive income is recognised in profit or loss.

**(ii) Financial Liabilities**

**Initial Recognition and Measurement**

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

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

**Subsequent Measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

Such financial liabilities comprise other payables and amount due to holding company.

**2. Summary of Significant Accounting Policies - continued**

**(e) Financial Instruments - continued**

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018: - continued

**(ii) Financial Liabilities - continued**

**De-recognition**

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

**(f) Impairment of Financial Assets**

These accounting policies are applied on and after the initial application date of FRS 109, 1 April 2018:

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. Summary of Significant Accounting Policies - continued**

**(f) Impairment of Financial Assets - continued**

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.

These accounting policies are applied before the initial application date of FRS 109, 1 April 2018:

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

**Financial Assets Carried at Amortised Cost**

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

**2. Summary of Significant Accounting Policies - continued**

**(f) Impairment of Financial Assets - continued**

**Financial Assets Carried at Amortised Cost - continued**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank which are subject to an insignificant risk of changes in value

**(h) 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.

**(i) Borrowing Costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(j) Taxes**

**(i) 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.

**2. Summary of Significant Accounting Policies - continued**

**(j) Taxes - continued**

**(i) Current Income Tax - continued**

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.

**(ii) Deferred Tax**

Deferred tax is provided using the liability method on temporary differences at 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 at the end of each 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.

**(k) Share Capital**

Proceeds from 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.

**(l) Related Party**

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Company if that person:
  - a) Has control or joint control over the Company;
  - b) Has significant influence over the Company; or
  - c) Is a member of the key management personnel of the Company or of a parent of the Company.
  
- (ii) An entity is related to the Company if any of the following applies:
  - a) 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);



**2. Summary of Significant Accounting Policies - continued**

**(i) Related Party - continued**

- (ii) An entity is related to the Company if any of the following applies: - continued
- b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
  - c) Both entities are joint ventures of the same third party;
  - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - e) 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;
  - f) The entity is controlled or jointly controlled by a person identified in (i) above;
  - g) A person identified in (i)(a) above has significant influence over the entity or is a member of the key management personnel or the entity (or of a parent of the entity).
  - h) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

*Key Management Personnel*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**3. Significant Accounting Judgements and Estimates**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**(a) Judgements Made in Applying Accounting Policies**

**Determination of Functional Currency**

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

**3. Significant Accounting Judgements and Estimates - continued**

**(b) Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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.

**4. Loss before Income Tax**

Loss before income tax has been arrived at after charging:

	<u>2019</u>	<u>2018</u>
	\$	\$
Interest on Loan from Holding Company	78,633	71,367
Impaired Investment Written Off		
- Subsidiary	-	8,193
- Held-to-Maturity	-	141,669
Sundry Balances Written Off		
- Prepayments	-	490,910
- Other Receivables	-	41,284
	<u>                    </u>	<u>                    </u>

**5. Income Tax Expense**

There is no tax charges or loss allowed to be carried forward as the Company has not traded since its incorporation.

**6. Prepayments**

	<u>2019</u>	<u>2018</u>
	\$	\$
Prepayments	<u>2,399</u>	<u>3,560</u>

**7. Other Payables**

	<u>2019</u>	<u>2018</u>
	\$	\$
Other Payables	11,795	10,705
Accruals	4,815	5,885
	<u>16,610</u>	<u>16,590</u>

**IPCL PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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**8. Amount Due to Holding Company**

Amount due to holding company is non-trade in nature, unsecured and repayable on demand. It is interest-bearing at 8.5% (2018: 8.5%) per annum.

**9. Share Capital**

	<u>2019</u>		<u>2018</u>	
	<u>No. of shares</u>	<u>Amount \$</u>	<u>No. of shares</u>	<u>Amount \$</u>
Issued and Fully Paid Ordinary Shares	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally to the Company's residual assets.

**10. Significant Related Parties Transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Interest on Loan from Holding Company	<u>78,633</u>	<u>71,367</u>

**11. Financial Risk Management**

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include liquidity risk.

The directors reviews and agrees 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 financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

11. **Financial Risk Management - continued****Liquidity Risk**

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through holding Company support. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<b>2019</b>		
	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>One Year or Less</b>
	\$	\$	\$
<b>Financial Assets</b>			
Cash and Cash Equivalents	1,977	1,977	1,977
<b>Total Undiscounted Financial Assets</b>	<b>1,977</b>	<b>1,977</b>	<b>1,977</b>
<b>Financial Liabilities</b>			
Other Payables	16,610	16,610	16,610
Amount Due to Holding Company	994,205	1,078,712	1,078,712
<b>Total Undiscounted Financial Liabilities</b>	<b>(1,010,815)</b>	<b>(1,095,322)</b>	<b>(1,095,322)</b>
<b>Total Net Undiscounted Financial Liabilities</b>	<b>(1,008,838)</b>	<b>(1,093,345)</b>	<b>(1,093,345)</b>
	<b>2018</b>		
	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>One Year or Less</b>
	\$	\$	\$
<b>Financial Assets</b>			
Cash and Cash Equivalents	6,185	6,185	6,185
<b>Total Undiscounted Financial Assets</b>	<b>6,185</b>	<b>6,185</b>	<b>6,185</b>
<b>Financial Liabilities</b>			
Other Payables	16,590	16,590	16,590
Amount Due to Holding Company	908,468	985,688	985,688
<b>Total Undiscounted Financial Liabilities</b>	<b>(925,058)</b>	<b>(1,002,278)</b>	<b>(1,002,278)</b>
<b>Total Net Undiscounted Financial Liabilities</b>	<b>(918,873)</b>	<b>(996,093)</b>	<b>(996,093)</b>

**12. Fair Values of Assets and Liabilities**

**Assets and liabilities not measured at fair value**

*Cash and cash equivalents and other payables*

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

**12. Fair Values of Assets and Liabilities - continued**

**Assets and liabilities not measured at fair value – continued**

*Amount due to holding company*

Amount due to holding company is non-trade in nature, unsecured and repayable on demand. It is interest-bearing at 8.5% per annum.

**13. Financial Instruments by Category**

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Financial Assets Measured at Amortised Cost</b>		
Cash and Cash Equivalents	1,977	6,185
<b>Total Financial Assets Measured at Amortised Cost</b>	<u>1,977</u>	<u>6,185</u>
<b>Financial Liabilities Measured at Amortised Cost</b>		
Other Payables	16,610	16,590
Amount Due to Holding Company	994,205	908,468
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<u>1,010,815</u>	<u>925,058</u>

**14. Capital Management**

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2019 and 31 March 2018.

**IPCL PTE. LTD.**

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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**15. Authorisation of Financial Statements for Issue**

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the directors' statement.

**IPCL PTE. LTD.****DETAILED PROFIT OR LOSS ACCOUNT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>Revenue</b>	-	-
<b>Administrative and Other Expenses</b>		
Bank Charges	140	261
Professional Fees	10,702	10,343
Secretarial Fees	1,472	647
General Expenses	179	229
Postage and Telegram	-	-
	(12,493)	(11,480)
Interest on Loan from Holding Company	(78,633)	(71,367)
Investment Written Off		
- Subsidiary	-	(8,193)
- Held-to-Maturity	-	(141,669)
Sundry Balances Written Off		
- Prepayments	-	(490,910)
- Other Receivables	-	(41,284)
<b>Loss before Income Tax</b>	<u>(91,126)</u>	<u>(764,903)</u>

The above statement does not form part of the audited financial statements.