

**IPCL PTE. LTD.**

**FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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## **IPCL PTE. LTD.**

### **DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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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 2023.

#### **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 2023 and the financial performance, changes in equity and cash flows of the Company for the year then ended in accordance with the provisions of Companies Act 1967 and Singapore Financial Reporting Standards; 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:

Thomas Louis Trog II  
Somesh Dasgupta

#### **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 kept by the Company under Section 164 of the Singapore Companies Act, Chapter 1967 (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 2023

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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



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**Thomas Louis Trog II**  
Director



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**Somesh Dasgupta**  
Director

Singapore

25<sup>th</sup> May 2023



**AAA ASSURANCE PAC**  
PUBLIC ACCOUNTANTS  
CHARTERED ACCOUNTANTS

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GST Reg. No. 201408818E

**IPCL PTE. LTD.**

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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**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 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the Company for the year 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.

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### **IPCL PTE. LTD.**

#### **INDEPENDENT AUDITOR'S REPORT - continued FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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##### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2.1 in the financial statements, which indicates that as at 31 March 2023, the Company reported a net current liabilities and net liabilities of \$1,810,631 (2022: of \$1,548,901 and \$1,548,358) respectively, and the Company's capital deficiency amounted to \$1,810,631 (2022: \$1,548,358), and the Company recorded a loss of \$262,273 (2022: \$332,633) for the financial year then ended. As stated in Note 2.1, these events or conditions, along with other matters as set forth in Note 2.1, 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.

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.

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**INDEPENDENT AUDITOR'S REPORT - continued**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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*Responsibilities of Management and Directors for the Financial Statements - continued*

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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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**IPCL PTE. LTD.**

**INDEPENDENT AUDITOR'S REPORT - continued**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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

- 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

25<sup>th</sup> May 2023

**IPCL PTE. LTD.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
<b>Revenue</b>		-	-
Other income	4	8,877	8,081
Administrative and other expenses	5	(122,123)	(21,394)
Allowance for impairment	9	(15,152)	(200,057)
Finance cost	6	(133,875)	(119,263)
<b>Loss before Income Tax</b>		<u>(262,273)</u>	<u>(332,633)</u>
Income tax expense	7	-	-
<b>Loss for the Year, Representing Total Comprehensive Loss for the Year</b>		<u><u>(262,273)</u></u>	<u><u>(332,633)</u></u>

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



**IPCL PTE. LTD.**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2023

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
<b>Non-Current Assets</b>			
Investment in a joint venture	8	-	543
<b>Current Assets</b>			
Prepayments		2,781	2,453
Loan to joint venture	9	-	-
Cash at bank	10	28,586	33,011
		<u>31,367</u>	<u>35,464</u>
<b>Current Liabilities</b>			
Other payables	11	(31,224)	(24,385)
Amount due to holding company	12	(1,810,774)	(1,559,980)
		<u>(1,841,998)</u>	<u>(1,548,365)</u>
<b>Net Current Liabilities</b>		<u>(1,810,631)</u>	<u>(1,548,901)</u>
<b>Net Liabilities</b>		<u><b>(1,810,631)</b></u>	<u><b>(1,548,358)</b></u>
<b>Equity</b>			
Share capital	13	12,000	12,000
Accumulated losses		(1,822,631)	(1,560,358)
<b>Capital Deficiency</b>		<u><b>(1,810,631)</b></u>	<u><b>(1,548,358)</b></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 2023**

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	<b>Share Capital</b>	<b>Accumulated Losses</b>	<b>Total</b>
	\$	\$	\$
<b>At 1 April 2021</b>	<b>12,000</b>	<b>(1,227,725)</b>	<b>(1,215,725)</b>
Loss for the Year, Representing Total Comprehensive Loss for the Year	-	(332,633)	(332,633)
<b>At 31 March 2022</b>	<b>12,000</b>	<b>(1,560,358)</b>	<b>(1,548,358)</b>
Loss for the Year, Representing Total Comprehensive Loss for the Year	-	(262,273)	(262,273)
<b>At 31 March 2023</b>	<b>12,000</b>	<b>(1,822,631)</b>	<b>(1,810,631)</b>

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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 2023**

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(262,273)	(332,633)
Adjustments for:		
Allowance for impairment on loan to joint venture	15,152	200,057
Impairment loss on financial assets	543	-
Interest expense	133,875	119,263
Interest income	(8,877)	(8,081)
Foreign exchange loss	8,160	7,926
	<u>(113,420)</u>	<u>(13,468)</u>
<b>Change in Working Capital:</b>		
Prepayments	(328)	-
Other payables	(13,242)	(20,613)
<b>Net Cash Used in Operating Activities</b>	<u>(126,990)</u>	<u>(34,081)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Loan to joint venture	(14,435)	(22,635)
<b>Net Cash Used in Investing Activity</b>	<u>(14,435)</u>	<u>(22,635)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Amount due to holding company	137,000	81,000
<b>Net Cash Generated from Financing Activity</b>	<u>137,000</u>	<u>81,000</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	(4,425)	24,284
Cash and cash equivalents at the beginning of the financial year	33,011	8,727
Cash and cash equivalents at the end of the financial year	<u>28,586</u>	<u>33,011</u>
<b>Cash and Cash Equivalents Comprising of:</b>		
Cash at bank	<u>28,586</u>	<u>33,011</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 2023**

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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.

The Company did not trade since the incorporation date.

The immediate and ultimate holding company is **INDIA POWER CORPORATION LIMITED**, which is incorporated in India.

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

##### **2.1 Basis of Preparation**

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). 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 presented in Singapore Dollars has been rounded to the nearest one-dollar, unless otherwise indicated.

As at 31 March 2023, the Company reported a net current liabilities and net liabilities of \$1,810,631 (2022: of \$1,548,901 and \$1,548,358) respectively, and the Company's capital deficiency amounted to \$\$1,810,631 (2022: \$1,548,358), and the Company recorded a loss of \$262,273 (2022: \$332,633) for the financial year then ended. These factors indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as going concern.

Notwithstanding the above, the financial statements of the Company are prepared on a going concern basis as the Company received letter of undertaking from their ultimate holding company, India Power Corporation Limited. to provide financial support for a period of not less than twelve (12) months from the date of approval of the audited financial statements of the Company for the financial year ended 31 March 2023, to enable company to continue operating and to meet its liabilities as and when they fall due and to ensure that the Company continues as a going concern.



## IPCL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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## 2. Summary of Significant Accounting Policies - continued

### 2.1 Basis of Preparation - continued

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets.

### 2.2 Adoption of New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on 1 April 2022. The adoption of these standards did not have any material effect on the financial statements of the Company.

### 2.3 Standards Issued but Not Yet Effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statement and FRS Practice Statement 2: Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS10 <i>Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<i>Date to be determined</i>

The directors expect that the adoption of these new and amended standards will have material impact on the financial statements in the year of initial application.

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

**2.4 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 reporting period are recognised in profit or loss.

**2.5 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.

**2.6 Joint Venture**

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

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

**2.6 Joint Venture - continued**

To the extent the joint arrangement provides the Company with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Company with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Company recognises its interest in joint venture as an investment and accounts for the investment using the equity method from the date on which it becomes a joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the joint venture's profit or loss in the period in which the investment is acquired.

The joint venture is accounted for using cost method because the entity is exempt from preparing consolidated financial statements by scope exception and it meets all the conditions in paragraph 4(a) of FRS 110.

The ultimate holding company, India Power Corporation Limited with address at Plot No. X1-2&3, Block - EP Sector - V, Salt Lake City, Kolkata - 700091 produces financial statements available for public use.

The financial statements of the joint venture are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

**Loans to joint venture**

The interest in a joint venture is the carrying amount of the investment in the joint venture under the equity method together with any long-term interests that, in substance, form part of the investor's net investment in the joint venture. For example, an item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, an extension of the entity's investment in that joint venture. Such items may include preference shares and long-term receivables or loans but do not include trade receivables, trade payables or any long-term receivables for which adequate collateral exists, such as secured loans.

**2.7 Financial Instruments**

**(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 fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

**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, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

**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 has been recognised in other comprehensive income for debts instruments is recognised in profit or loss.



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

**2.7 Financial Instruments - continued**

**(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.

**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.

**2.8 Impairment of Financial Assets**

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

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

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

**2.8 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.

**2.9 Cash and Cash Equivalents**

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

**2.10 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.11 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.

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

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

**2.11 Taxes - continued**

**(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 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.

**2.12 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.

**2.13 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 group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - b) 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);
  - 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;

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

**2.13 Related Party - continued**

- 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 Company or to the parent of the Company.

*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.

**2.14 Borrowing Costs**

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



**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.

**3.1 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.

**Joint Venture**

The Company holds a 36% ownership interest in a joint arrangement which is recognised in the financial statements using the cost method. Management has assessed that the holdings are a joint venture as there are contractual arrangements with other parties that require unanimous consent from all parties for relevant activities. The parties however do not have direct rights to the assets and are not liable for the liabilities incurred through the joint arrangement. The joint arrangement provides the Company with rights to the net assets of the arrangement. Further details are disclosed in Note 8 to the financial statements.

**3.2 Key Sources of Estimation Uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

## IPCL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

##### 3.2 Key Sources of Estimation Uncertainty - continued

###### *Provision for expected credit losses on loans to joint venture*

The Company makes allowances for expected credit losses based on an assessment of the recoverability of other receivables. The impairment provisions for other receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of debtor's actual default in the future. The information about the ECLs on the Company's loan to joint venture is disclosed in Note 9 to the financial statements. The carrying amount of the Company's loan to joint venture as at 31 March 2023 was Nil (2022: Nil).

#### 4. Other Income

	<u>2023</u>	<u>2022</u>
	\$	\$
Interest income on loan to joint venture	<u>8,877</u>	<u>8,081</u>

#### 5. Administrative and other expenses

	<u>2023</u>	<u>2022</u>
	\$	\$
Professional fees	102,170	12,009
Foreign exchange loss	8,160	7,926
Impairment on loss on investment in Joint Venture	543	-
Others	11,249	1,459
	<u>122,123</u>	<u>21,394</u>

#### 6. Finance costs

	<u>2023</u>	<u>2022</u>
	\$	\$
Interest expense on loan from holding company	<u>133,875</u>	<u>119,263</u>

## IPCL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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#### 7. Income Tax Expense

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

#### 8. Investment in a Joint Venture

	<u>2023</u>	<u>2022</u>
	\$	\$
Investment, at cost	543	543
Impairment loss on financial asset	<u>(543)</u>	<u>-</u>
	<u>-</u>	<u>543</u>

The movement in allowance for impairment is as follows:

At beginning of financial year	-	-
Impairment loss on financial asset	<u>(543)</u>	<u>-</u>
At end of financial year	<u>(543)</u>	<u>-</u>

The Company has 36% (2021: 36%) interest in the ownership and voting rights in a joint venture, Arka Energy B.V.

Arka Energy B.V. was incorporated on 7 May 2019 in Amsterdam. The principal activity of this joint venture is to develop, build, finance and operate as well as install new Power Plants (Thermal Gas or renewable). The Company is jointly owned by Mining Resources Worldwide FZE (UAE), Midami Limited (Hong Kong) and IPCL Pte. Ltd (Singapore) with shareholding of 32%, 32% and 36% respectively.

The above joint venture is accounted for using the cost method as the entity is exempt from preparing consolidated financial statements and it meets all the conditions in paragraph 4(a) of FRS110.

**IPCL PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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**8. Investment in a Joint Venture - continued**

Summarised financial information in respect of Arka Energy B.V. based in its FRS financial statements, and reconciliation with the carrying amount of the investment in the financial statements are as follows:

*Summarised Statement of Financial Position:*

	<u>2023</u>	<u>2022</u>
	\$	\$
Current Assets	13,656	12,784
Non-Current Assets	22,585	44,827
Current Liabilities	14,023	20,227
Non-Current Liabilities	<u>275,889</u>	<u>258,670</u>

Cash and cash equivalents of \$2,572 (2022: \$11,448) is included in current assets.

*Summarised Statement of Comprehensive Income:*

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenue	-	-
Interest expenses	(8,785)	(8,391)
Other operating expenses	(12,600)	(29,784)
Results from subsidiaries	<u>(14,093)</u>	<u>(13,179)</u>
Loss before income tax	(35,478)	(51,354)
Income tax expense	-	-
Loss for the year, representing total comprehensive loss for the year	<u>(35,478)</u>	<u>(51,354)</u>

The joint venture has no contingent liabilities.

The joint venture entity is under audit exemption based on Article 2:396 section 6 of the Netherlands Civil Code.

**IPCL PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**9. Loan to Joint Venture**

	<u>2023</u>	<u>2022</u>
	\$	\$
Loan to joint venture	206,331	200,057
Interest receivable	8,877	-
Less: Allowance for impairment	<u>(215,208)</u>	<u>(200,057)</u>
Carrying amount	<u>-</u>	<u>-</u>

The movement in allowance for impairment is as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
At beginning of financial year	200,057	-
Allowance during the financial year	<u>15,151</u>	<u>200,057</u>
At end of financial year	<u>215,208</u>	<u>200,057</u>

The loan to joint venture is unsecured and repayable on demand. The loan bears an interest at 5% per annum.

The loan to joint venture was denominated in Euro currency.

**10. Cash at Bank**

At the reporting date, cash at bank is denominated in Singapore dollars.

**11. Other Payables**

	<u>2023</u>	<u>2022</u>
	\$	\$
Other payables	11,143	6,496
Accruals	<u>20,081</u>	<u>17,889</u>
	<u>31,224</u>	<u>24,385</u>

**12. Amount Due to Holding Company**

The company obtained a loan from ultimate holding company in November 2014 and is repayable on demand. The loan is unsecured and bears interest at 8.5% (2022: 8.5%) per annum.

**IPCL PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**12. Amount Due to Holding Company - continued**

Reconciliation of movements in liabilities arising from financing activities:

	<b>Amount due to Holding Company</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 April 2022	<u>1,559,980</u>	<u>1,559,980</u>
<b>Changes from financing cash flows</b>		
Proceeds during the financial year	<u>137,000</u>	<u>137,000</u>
Total changes from financing cash flows	<u>137,000</u>	<u>137,000</u>
<b>Other changes – liability related</b>		
Interest expense	133,875	133,875
Withholding tax	<u>(20,081)</u>	<u>(20,081)</u>
<b>Total liability – related other changes</b>	<u>113,793</u>	<u>113,793</u>
Balance at 31 March 2023	<u><u>1,810,774</u></u>	<u><u>1,810,774</u></u>
	<b>Amount due to Holding Company</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 April 2021	<u>1,377,607</u>	<u>1,377,607</u>
<b>Changes from financing cash flows</b>		
Proceeds during the financial year	<u>81,000</u>	<u>81,000</u>
Total changes from financing cash flows	<u>81,000</u>	<u>81,000</u>
<b>Other changes – liability related</b>		
Interest expense	119,263	119,263
Withholding tax	<u>(17,890)</u>	<u>(17,890)</u>
<b>Total liability – related other changes</b>	<u>101,373</u>	<u>101,373</u>
Balance at 31 March 2022	<u><u>1,559,980</u></u>	<u><u>1,559,980</u></u>

**IPCL PTE. LTD.**

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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**13. Share Capital**

	2023		2022	
	No. of shares	Amount \$	No. of shares	Amount \$
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. The ordinary shares have no par value.

**14. Significant Related Party 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>2023</u>	<u>2022</u>
	\$	\$
Interest income on loan to joint venture	8,877	8,081
Interest expense on loan from holding company	<u>133,875</u>	<u>119,263</u>

**15. 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.

*Amount due to Holding Company and Loan to Joint Venture*

The carrying amounts of amount due to holding company and loan to joint venture approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangement with financial institution.

**16. Financial Risk Management**

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and 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.

**(a) Credit Risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from loan to joint venture. For other financial assets (including bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating



## IPCL PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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#### 16. Financial Risk Management - continued

##### (a) Credit Risk - continued

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the company and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL - credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

**IPCL PTE. LTD.**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**16. Financial Risk Management - continued****(a) Credit Risk - continued**

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	<b>Category</b>	<b>12-month or lifetime ECL</b>	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Net Carrying Amount</b>
			\$	\$	\$
<b>31 March 2023</b>					
Loan to joint venture (Note 9)	III	Lifetime ECL	215,208	(215,208)	-
			215,208	(215,208)	-
	<b>Category</b>	<b>12-month or lifetime ECL</b>	<b>Gross Carrying Amount</b>	<b>Loss Allowance</b>	<b>Net Carrying Amount</b>
			\$	\$	\$
<b>31 March 2022</b>					
Loan to joint venture (Note 9)	I	12-month ECL	200,057	(200,057)	-
			200,057	(200,057)	-

**Loan to Joint Venture**

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime ECL-credit-impaired and determined the ECL as \$215,208 (2022: 12-month ECL as \$200,057).

**(b) Liquidity Risk**

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

The Company had access to undrawn borrowing facilities of approximately \$705,600 (2022: \$842,600) from its ultimate holding company at the end of the reporting period.

**IPCL PTE. LTD.**

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

**16. Financial Risk Management - continued****(b) Liquidity Risk - continued**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>2023</b>			
	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>One Year or Less</b>	<b>Two to Five Years</b>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash at bank	28,586	28,586	28,586	-
<b>Total Undiscounted Financial Assets</b>	28,586	28,586	28,586	-
<b>Financial Liabilities</b>				
Other payables	31,224	31,224	31,224	-
Amount due to holding company	1,810,774	1,964,690	1,964,690	-
<b>Total Undiscounted Financial Liabilities</b>	1,841,998	1,995,914	1,995,914	-
<b>Total Net Undiscounted Financial Liabilities</b>	(1,813,412)	(1,967,328)	(1,967,328)	-
	<b>2022</b>			
	<b>Carrying Amount</b>	<b>Contractual Cash Flows</b>	<b>One Year or Less</b>	<b>Two to Five Years</b>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash at bank	33,011	33,011	33,011	-
<b>Total Undiscounted Financial Assets</b>	33,011	33,011	33,011	-
<b>Financial Liabilities</b>				
Other payables	24,385	24,385	24,385	-
Amount due to holding company	1,559,980	1,692,579	1,692,579	-
<b>Total Undiscounted Financial Liabilities</b>	1,584,365	1,716,964	1,716,964	-
<b>Total Net Undiscounted Financial Liabilities</b>	(1,551,354)	(1,683,953)	(1,683,953)	-

**16. Financial Risk Management - continued**

**(c) Market Risk**

Market risk is the risk that changes in market prices, such as interest rate risks and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

**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 is not exposed to interest rate risk as the interest rates of loans to the joint venture and loans from the holding company are fixed.

**Foreign Currency Risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from various currency exposures. The Company does not use derivative financial instruments to hedge its exposure to currency rate fluctuation.

The Company buys and sells its products in several countries and transacts in foreign currencies, mainly Euro ("EUR"). As a result, the Company is exposed to movements in foreign currency exchange rates. However, the Company does not use any financial derivatives for trading or hedging purposes.

**17. 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>2023</u>	<u>2022</u>
	\$	\$
<b>Financial Assets Measured at Amortised Cost</b>		
Cash at bank	28,586	33,011
<b>Total Financial Assets Measured at Amortised Cost</b>	<u>28,586</u>	<u>33,011</u>
<b>Financial Liabilities Measured at Amortised Cost</b>		
Other payables	31,224	24,385
Amount due to holding company	1,810,774	1,559,980
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<u>1,841,998</u>	<u>1,584,365</u>

**18. Capital Management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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 to the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022.

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

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

# **IPCL PTE. LTD.**

(Incorporated in Singapore)

Company Reg No.: 201326959C

## **Audited Financial Statements for the Financial Year Ended 31 March 2023**

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**AAA Assurance PAC**

**Public Accountants and Chartered Accountants**

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