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Company Registration No. 200715892R

IIFL (Asia) Pte. Ltd.

Directors' statement and Financial Statements

Year ended 31 March 2021

General information

Directors

Amit Garg
Raveen Pawar

Company Secretary
Tan Wee Sin

Registered Office
137 Telok Ayer Street
#04-08
Singapore 068602

Auditor
Deloitte & Touche LLP, Singapore

IIFL (Asia) Pte. Ltd.

Directors' statement

The directors are pleased to present their statement to the member together with the audited financial statements of IIFL (Asia) Pte. Ltd. (the "Company") for the financial year ended 31 March 2021.

Opinion of the directors

In the opinion of the directors,
(a) the accompanying statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

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

Amit Garg
Raveen Pawar

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangment whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

The directors of the Company who held office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by Company under Section 164 of the Singapore Companies Act, Chapter 50, except as follows:

	Direct interest	
Ordinary shares of a related company (IIFL Wealth Management Limited)	At the beginning of financial year	At the end of financial year
Amit Garg	4,773	-
Options to subscribe for ordinary shares of a related company (IIFL Wealth Management Limited)		
Amit Garg	22,491	17,718

By virtue of Section 7 of the Singapore Companies Act, chapter 50, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporations of the Company.

IIFL (Asia) Pte. Ltd.

Directors' statement (cont'd)

4. Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company;
(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company; and
(c) at the end of the financial year, there was no unissued share of the Company under option.

5. Auditor

The auditors, Deloitte & Touche LLP, Singapore have expressed their willingness to accept re-appointment as auditor.

Amit Garg
Director

Raveen Pawar
Director

Singapore
10 May 2021

Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL (ASIA) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IIFL (Asia) Pte. Ltd. (the "Company") which comprise the statement of financial position of the Company as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 24.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises general information and the directors' statement set out on pages 1 to 2.

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

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

Deloitte & Touche LLP (Unique Entity No. T08LL0721A) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL (ASIA) PTE. LTD.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

(a) 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.

(b) 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.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL (ASIA) PTE. LTD.

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

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

(e) 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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

10 May 2021

IIFL (Asia) Pte. Ltd.
Statement of Financial Position as at 31 March 2021

	Note	As at 31 March 2021	As at 31 March 2021
		S$	**S$**
ASSETS			
Current assets			
a. Financial Assets			
Cash and cash equivalents	4	34,157	62,759
b. Other receivables and prepayments	5	7,360	7,394
Total current assets		**41,517**	**70,153**
Non-current assets			
Financial Assets			
Investment in subsidiaries	6	1,030,000	6,330,000
Investment in associates	6	5,300,000	-
Total non-current assets		**6,330,000**	**6,330,000**
Total Assets		**6,371,517**	**6,400,153**
LIABILITIES AND EQUITY			
Current liabilities			
Financial Liabilities			
Accrued expenses and other payables	7	16,880	19,677
Total current liabilities		**16,880**	**19,677**
Equity			
a. Equity share capital	8	14,000,000	14,000,000
b. Accumulated losses		(7,645,363)	(7,619,524)
Total Equity		**6,354,637**	**6,380,476**
Total Equity and Liabilities		**6,371,517**	**6,400,153**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL (Asia) Pte. Ltd.
Statement of profit or loss and other comprehensive income for the year ended 31 March 2021

	Note	2021	2020
		S$	**S$**
Net foreign exchange gain		-	2,546
Total revenue		**-**	**2,546**
Expenses			
Net foreign exchange loss		(3,199)	-
Other operating expenses	9	(22,640)	(17,696)
Total expenses		**(25,839)**	**(17,696)**
Loss before income tax		**(25,839)**	**(15,150)**
Income tax expense	10	-	-
Loss for the year, representing total comprehensive loss for the year		**(25,839)**	**(15,150)**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL (Asia) Pte. Ltd.
Statement of changes in equity for the year ended 31 March 2021

	Share Capital S$	Accumulated losses S$	Total Equity S$
Balance at April 1, 2019	14,000,000	(7,604,374)	6,395,626
Loss for the year, representing total comprehensive loss for the year	-	(15,150)	(15,150)
Balance at March 31, 2020	14,000,000	(7,619,524)	6,380,476
Loss for the year, representing total comprehensive loss for the year	-	(25,839)	(25,839)
Balance at March 31, 2021	14,000,000	(7,645,363)	6,354,637

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL (Asia) Pte. Ltd.
Cash flow statement for the year ended 31 March 2021

	2021 S$	2020 S$
Cash flows from operating activities		
Loss before income tax	(25,839)	(15,150)
Operating cash flows before movements in working capital		
Decrease in refundable deposits	-	340
Decrease/(Increase) in other receivables and prepayments	34	273
Increase in accrued expenses and other payables	(2,797)	1,688
Net cash flows used in operating activities	(28,602)	(12,849)
Net decrease in cash and cash equivalents for the year	(28,602)	(12,849)
Cash and cash equivalents at beginning of year	62,759	75,608
Cash and cash equivalents at end of year (Note 4)	34,157	62,759

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1 *Corporate information*

IIFL (Asia) Pte. Ltd. (the “Company”) is a private limited company incorporated in the Republic of Singapore whose registered office is at 137 Telok Ayer Street, #04-08, Singapore 068602. The Company was incorporated on 29 August, 2007.

The Company’s immediate as welll as ultimate holding company, IIFL Wealth Management Limited (IIFLW), a public limited company incorporated in India, had acquired the entire share of the Company from IIFL Holdings Limited (formerly known as India Infoline Limited) on 30 December 2014.

The principal activity of the Company is investment holding.

The financial statements of the Company for the year ended 31 March 2021 were authorised for issue by the Board of Directors on 10 May 2021.

2 *Summary of significant accounting policies*

2.1 *Basis of accounting*

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore (“FRSs”). The financial statments are presented in Singapore dollars ("SGD" of "S$").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment* , leasing transactions that are within the scope of FRS 116 *Leases* , and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets.*

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

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

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

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

2 ***Summary of significant accounting policies (cont'd)***

2.1 ***Basis of accounting (cont'd)***

2.1 ***Adoption of new and revised standards***

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2020. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not yet effective:

Descriptions	**Effective for annual periods beginning on or after**
Amendments to FRS103: *References to the Conceptual Framework in FRS Standards*	January 1, 2022
Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*	January 1, 2023

Management anticipates that the adoption of the above/other FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption.

2.2 ***Investments in subsidiaries and associates***

BASIS OF CONSOLIDATION - Consolidated financial statements of the Company and its subsidiary have not been prepared as the Company is a subsidiary of another company which produces consolidated financial statements available for public use. Consolidated financial statements are prepared by the company's ultimate holding company, IIFL Wealth Management Ltd, a Company incorporated in India, with its registered address at 7th Floor, IIFL Centre, Senapati Bapat Marg, Lower Parel, Mumbai 400 113.

Subsidiary is an entity that is controlled by another entity. Control is achieved when the company:
• Has power over the investee;
• Is exposed, or has rights, to variable returns from its involvement with the investee; and
• Has the ability to use its power to affect its returns.

Investments in subsidiary (including advances to a subsidiary) in the financial statements of the Company are stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

2.3 Investments in subsidiaries and associates (cont'd)

"INVESTMENTS IN ASSOCIATES - An associate is an entity in which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those polices.

Investments in associates are carried at cost less accumulated impairment losses, if any, in the Company's financial statements.

2 ***Summary of significant accounting policies (cont'd)***

2.4 ***Impairment of non-financial assets***

At the end of each reporting period, the Company reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.5 **Financial Instruments**

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 ***Summary of significant accounting policies (cont'd)***

2.6 ***Financial assets***

Classification of financial assets

Financial assets that meet both the following conditions are measured at amortised cost:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and cash equivalents and other receivables of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss

Interest is recognized using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on its financial assets measured at amortized cost

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

2 ***Summary of significant accounting policies (cont'd)***

2.6 ***Financial assets (cont'd)***

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Impairment of financial assets (cont'd)

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 ***Summary of significant accounting policies (cont'd)***

2.6 ***Financial assets (cont'd)***

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

• an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

• significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

• existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

• an actual or expected significant deterioration in the operating results of the debtor;

• an actual or expected significant adverse change in the regulatory, economic, technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations; or

• significant changes in the expected performance and behavior of the borrower.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2 *Summary of significant accounting policies (cont'd)*

2.6 *Financial assets (cont'd)*

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.7 *Financial liabilities and equity instruments*

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Accrued expenses and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Company derecognises financial liabilities when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit and loss.

Equity instruments

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 from share capital.

2 *Summary of significant accounting policies (cont'd)*

2.8 *Foreign Currency transactions*

Transactions in foreign currencies are measured in the functional currency are recorded on the 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 closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.9 *Cash and cash equivalents*

Cash and cash equivalents comprise of cash at bank that are readily convertible to a known amount of cash and 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 the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2 ***Summary of significant accounting policies (cont'd)***

2.11 ***Income taxes***

Income tax for the financial year comprises of current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2.12 ***Related parties***

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.13 ***Share capital and share issue expenses***

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.

3 ***Significant accounting judgements and estimates***

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

(i) Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

<u>Determination of functional currency</u>
The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be SGD. Major costs of providing services including major operating expenses are primarily influenced by fluctuations in SGD.

<u>Determination of impairment on investment in subsidiaries and associate</u>
The Company follows the guidance of FRS 36 Impairment of Assets anto assess if there are any indications of impairment. This determination requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment in subsidiaries and associate is less than its cost; the financial health of and near-term business outlook for the investment in subsidiaries and associate, including factors such as industry and sector performance, changes in technology and operational and financial cash flow. Management is of the view that the carrying amounts of the investment in subsidiaries and assocaite as disclosed in Note 6 to the financial statements do not exceed their recoverable amounts.

3 ***Significant accounting judgements and estimates (cont'd)***

(ii) Key sources of estimation uncertainty

Management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Cash and cash equivalents

	2021 S$	2020 S$
Cash at bank	34,157	62,759
	34,157	**62,759**

Cash and cash equivalents are denominated in the following currencies:

	2021 S$	2020 S$
Singapore dollars	9,307	15,109
United States dollars	24,850	47,650
	34,157	**62,759**

5 Other receivables and prepayments

	2021 S$	2020 S$
Prepaid expenses	516	-
Other receivables	6,844	7,394
Total	**7,360**	**7,394**

Other receivables are denominated in the following currencies:

	2021 S$	2020 S$
United States dollars	6,844	7,394
	6,844	**7,394**

6 Investment in subsidiaries/associates

	2021 S$	2020 S$
Unquoted equity shares, at cost		
Investment in subsidiaries	1,030,000	6,330,000
Investment in associates	5,300,000	-
	6,330,000	**6,330,000**

The details of the subsidiaries were as follows:

Name of Subsidiaries/associate	**Principal activities**	**Country of incorporation and place of business**	**Cost of investments**		**Effective equity interest**	
			2021 S$	**2020 S$**	**2021 %**	**2020 %**
IIFL Securities Pte. Ltd.	Investment advisory services	Republic of Singapore	1,030,000	1,030,000	100	100
IIFL Capital Pte. Ltd. (i)	Investment fund management and advisory services	Republic of Singapore	5,300,000	5,300,000	34.16	100

(i) There is a capital infusion done by ultimate holding company in IIFL Capital Pte Ltd. directly and hence the Company's share ownership is diluted and ownership interest is decreased to 34.16%. Accordingly, the investment is classified as investment in associate.

7 Accrued expenses and other payables

	2021 S$	2020 S$
Accrued expenses and other payables	16,880	19,677
Total	**16,880**	**19,677**

8 Share Capital

	2021 No. of shares	2021 S$	2020 No. of shares	2020 S$
Issued and fully paid:				
At the beginning and end of year	14,000,000	14,000,000	14,000,000	14,000,000

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 restrictions. The ordinary shares have no par value.

9 Other operating expenses

	2021 S$	2020 S$
Brokerage related expenses	150	164
Bank charges	28	74
Legal & professional fees	9,462	6,740
Office expenses	-	340
Audit fees	13,000	10,378
	22,640	**17,696**

10 Income tax expense

	2021 S$	2020 S$
Current income tax	-	-
	-	-

	2021 S$	2020 S$
Loss before income tax	(25,839)	(15,150)
Tax at statutory tax rate of 17% (2020 :17%)	(4,393)	(2,576)
Adjustments :		
- Income not subject to tax	-	-
- Non-deductible expense	4,393	2,576
- Deferred tax assets not recognised	-	-
Income tax recognised in profit or loss	-	-

As at 31 March 2021, the Company has unutilised losses amounting to approximately S$ 3,960,338 (2020: S$3,960,338) available for offset against future taxable profits, subject to the agreement of tax authorities and compliance with certain provisions of the Income Tax Act. Deferred tax has not been recognised in line with the accounting policy stated in Note 2.11.

11 Financial assets and liabilities by categories

The carrying amounts of the following categories of financial instruments measured at amortised cost were as follows:

	2021 S$	2020 S$
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	34,157	62,759
Refundable deposits	-	-
Other receivables	6,844	7,394
Total financial assets	41,001	70,153
Financial liabilities		
Financial liabilities at amortised cost		
Accrued expenses and other payables	16,880	19,677
Total financial liabilities	16,880	19,677

12 Financial risk management objectives and policies

(a) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting arrangements.

(b) Financial risk management objectives and policies

The Company’s principal financial instruments comprise cash and cash equivalents for the Company’s daily operations.

The Company does not hold or issue derivative financial instruments for speculative purposes. There has been no change to the Company's exposure to these financial risks or the matter in which it manages and measures the risk.

The financial risks arising from the Company’s operations are credit risk, foreign currency risk and liquidity risk. The Board of directors review and agrees policies for managing each of these risks and they are summarised below:

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company’s exposure to credit risk arises primarily from cash at bank.

The Company does not have any significant credit exposure to any single counterparty or any company or counterparties having similar characteristics. Cash is placed with a reputable international bank.

At the end of the reporting period, the Company’s maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No financial asset of the Company is either past due or impaired.

12 Financial risk management objectives and policies (cont'd)

(d) *Foreign currency risk*

Foreign currency risk is the risk that arises from the change in price of one currency against another because of changes in foreign currency exchange rates.

The Company is exposed to movements in the foreign currency exchange rates other than in its functional currency, the SGD. The Company reviews its exposure to foreign currency risk on a regular basis.

As at 31 March 2021, the Company's cash and cash equivalents and other receivables are exposed to approximately S$ 31,694 (2020: S$ 55,044) of United States dollars ("USD" or "US$").

The following table demonstrates the sensitivity of the Company's equity to changes in the value of cash and cash equivalents and other receivables resulting from a reasonable possible change in USD against SGD, with all other variables

	2021	2020
	S$	S$
USD - strengthened by 5% (2020: 5%)	1,585	2,752
USD - weakened by 5% (2020: 5%)	(1,585)	(2,752)

(e) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial 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.

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding. The Company's financial assets and liabilities are short-term in nature which mitigates the risk of default on financial obligations.

Maturity analysis of financial liabilities

All Financial liabilities in 2021 and 2020 are repayable on demand or due within 1 year from the end of the reporting date.

(f) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in interest rates relates primarily to its cash and cash equivalents. The management considers that the impact of changes in interest rates on its cash and cash equivalents is minimal.

(g) *Fair Value of financial assets and financial liabilities*

The carrying amounts of financial assets and liabilities reported in the statement of financial position approximate the fair values of those assets and liabilities due to their relatively short-term maturity of these financial instruments.

13 Capital management policies and objectives

The directors consider shareholders' equity as the Company's capital. The objective of the Company's capital management is to ensure that it continues to meet local regulatory total risk requirements and maintain satisfactory financial resources to support its business.

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 and monitor the liquid capital requirement by monthly review of financial resources to ensure that the capital is managed in an effective manner.

14 Significant events during the year

Global economic Growth in 2020 is adversely affected by the spread of the Covid-19 virus and actions taken to mitigate its spread and the resulting disruption of economic activity. If disruptions to normal economic activity continue for a protracted period as the result of the pandemic and governmental responses to it, the Company may be adversely affected. Notwithstanding this, The Company has continued to engage with clients and employees through extensive business continuity planning and technology platform with minimal disruption on any business activity during the lockdown phase. Notwithstanding the above, the management has assessed that the Company is still able to maintain sufficient liquidity to enable the Company to continue as a going concern for at least the next 12 months from end of reporting period.