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REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

(Registration No. 200503995E)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2024.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 6 to 49 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at March 31, 2024, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Group and Company will be able to pay their debts when they fall due.

1 DIRECTORS

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

Professor J. Ramachandran
Pankaj Lamba
Keith William Frederick Bradley (Appointed on November 3, 2023)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

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

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967.

4 SHARE OPTIONS

(a) Option to take up unissued shares

During the financial year, no options to take up unissued shares of the Company was granted.

(b) Option exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS' STATEMENT

5 AUDITORS

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

ON BEHALF OF THE DIRECTORS

....
Professor J. Ramachandran

....
Pankaj Lamba

May 3, 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

REDINGTON DISTRIBUTION PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington Distribution Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 6 to 49.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 consolidated financial position of the Group and the financial position of the Company as at March 31, 2024 and of the consolidated financial performance, consolidated changes in equity, and consolidated cash flows of the Group and the changes in equity 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 Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for other information. The other information comprises Directors' statement set out on pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Group's internal control.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

REDINGTON DISTRIBUTION PTE LTD

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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

May 3, 2024

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2024

	Note	Group		Company	
		2024	2023	2024	2023
		US$	US$	US$	US$
Revenue					
Sales of goods	6	456,245,785	487,728,177	80,491,724	144,383,713
Other income					
Fee income		35,059	-	35,059	-
Finance income		1,892,734	182,590	1,693,924	57,288
Other income		60,371	31,083	-	-
		458,233,949	487,941,850	82,220,707	144,441,001
Less: Costs and expenses					
Cost of goods sold		430,575,762	458,651,628	76,728,806	134,930,012
Reversal of loss allowance on trade receivables	14	(1,136,691)	(267,608)	(1,112,393)	(151,963)
Depreciation of plant and equipment	9	116,328	105,473	5,516	5,944
Amortisation of intangible asset	10	74	304	-	-
Depreciation of right-of-use assets	11	579,260	545,712	230,383	226,005
Bad debts written off		976,804	-	-	-
Directors' remuneration	5	77,857	278,432	77,857	278,432
Staff costs					
- Salaries and bonuses		5,191,858	5,544,524	809,853	1,477,275
- CPF contributions		52,949	33,425	35,067	33,425
Finance costs		736,880	929,354	11,564	118,823
Impairment loss on investment in a subsidiary	12	-	-	-	10,942
Other operating expenses		10,855,070	7,673,191	2,271,939	1,504,512
Net exchange differences		(1,055,570)	(546,712)	(24,558)	(121,099)
		446,970,581	472,947,723	79,034,036	138,312,308
Profit before tax	7	11,263,368	14,994,127	3,186,671	6,128,693
Income tax expense	8	(2,181,529)	(5,420,372)	(1,187,623)	(4,503,778)
Profit for the year		9,081,839	9,573,755	1,999,048	1,624,915
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plan		(2,890)	-	-	-
Foreign currency translation		89,418	8,468	-	-
Total comprehensive income for the year attributable to owner of the Company		9,168,367	9,582,223	1,999,048	1,624,915

See accompanying notes to financial statements.

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITIONS
As at March 31, 2024

	Note	Group		Company	
		2024	2023	2024	2023
		US$	US$	US$	US$
Non-current assets					
Plant and equipment	9	278,644	282,288	8,730	13,373
Intangible assets	10	352	396	-	-
Right-of-use assets	11	882,552	1,385,351	169,779	400,162
Investment in subsidiaries	12	-	-	919,895	919,895
Deferred tax assets	21	340,975	146,556	-	-
		1,502,523	1,814,591	1,098,404	1,333,430
Current assets					
Inventories	13	38,884,579	24,387,915	2,382,852	3,549,086
Trade and other receivables	14	55,863,318	60,218,922	23,235,325	29,535,442
Cash and cash equivalents	15	41,885,916	41,767,015	33,914,825	34,820,755
		136,633,813	126,373,852	59,533,002	67,905,283
Current liabilities					
Trade and other payables	16	67,327,070	56,568,115	17,807,457	18,140,395
Contract liabilities	6	3,201,467	2,554,901	2,710,679	2,532,437
Lease liabilities	17	530,609	554,252	170,894	238,052
Income tax payable		6,486,286	6,686,864	5,500,519	5,714,125
		77,545,432	66,364,132	26,189,549	26,625,009
Net current assets		59,088,381	60,009,720	33,343,453	41,280,274
Non-current liabilities					
Other payables	16	315,852	229,101	-	-
Lease liabilities	17	398,458	886,983	12,290	183,185
		714,310	1,116,084	12,290	183,185
Net assets		59,876,594	60,708,227	34,429,567	42,430,519
Equity					
Share capital	18	4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings		57,037,219	57,955,380	29,870,389	37,871,341
Other reserve	19	559,178	559,178	559,178	559,178
Remeasurement of defined benefit liability		(2,890)	-	-	-
Merger reserve	20	(926,402)	(926,402)	-	-
Foreign currency translation reserve		(790,511)	(879,929)	-	-
		59,876,594	60,708,227	34,429,567	42,430,519

See accompanying notes to financial statements.

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
Year ended March 31, 2024

	Attributable to owner of the Company						
	Share capital (Note 18)	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit liability	Other reserve (Note 19)	Merger reserve (Note 20)	Total
	US$	US$	US$	US$	US$	US$	US$
Group							
Balance at April 1, 2023	4,000,000	57,955,380	(879,929)	-	559,178	(926,402)	60,708,227
Distribution to owner							
Dividends paid (Note 23)	-	(10,000,000)	-	-	-	-	(10,000,000)
Profit for the year	-	9,081,839	-	-	-	-	9,081,839
Other comprehensive income							
Remeasurement of defined benefit liability	-	-	-	(2,890)	-	-	(2,890)
Foreign currency translation	-	-	89,418	-	-	-	89,418
Total comprehensive income for the year	-	9,081,839	89,418	(2,890)	-	-	9,168,367
Balance at March 31, 2024	4,000,000	57,037,219	(790,511)	(2,890)	559,178	(926,402)	59,876,594

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended March 31, 2024

	Attributable to owner of the Company					
	Share capital (Note 18)	Retained earnings	Foreign currency translation reserve	Other reserve (Note 19)	Merger reserve (Note 20)	Total
	US$	US$	US$	US$	US$	US$
Group						
Balance at April 1, 2022	4,000,000	58,381,625	(888,397)	559,178	(926,402)	61,126,004
Distribution to owner						
Dividends paid (Note 23)	-	(10,000,000)	-	-	-	(10,000,000)
Profit for the year	-	9,573,755	-	-	-	9,573,755
Other comprehensive income						
Foreign currency translation	-	-	8,468	-	-	8,468
Total comprehensive income for the year	-	9,573,755	8,468	-	-	9,582,223
Balance at March 31, 2023	4,000,000	57,955,380	(879,929)	559,178	(926,402)	60,708,227

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended March 31, 2024

	Attributable to owner of the Company			
	Share capital (Note 18)	Retained earnings	Other reserve (Note 19)	Total
	US$	US$	US$	US$
Company				
Balance at April 1, 2022	4,000,000	56,246,426	559,178	60,805,604
Distribution to owner				
Dividends paid (Note 23)	-	(10,000,000)	-	(10,000,000)
Profit for the year	-	1,624,915	-	1,624,915
Balance at March 31, 2023	4,000,000	37,871,341	559,178	42,430,519
Distribution to owner				
Dividends paid (Note 23)	-	(10,000,000)	-	(10,000,000)
Profit for the year	-	1,999,048	-	1,999,048
Balance at March 31, 2024	4,000,000	29,870,389	559,178	34,429,567

See accompanying notes to financial statements.

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW
Year ended March 31, 2024

	Group	
	2024	2023
	US$	US$
Cash flows from operating activities		
Profit before tax	11,263,368	14,994,127
Adjustments for:		
Depreciation of plant and equipment	116,328	105,473
Depreciation of right-of-use assets	579,260	545,712
Amortisation of intangible assets	74	304
Reversal of loss allowance on trade receivables	(1,136,691)	(267,608)
(Reversal of allowance on) Allowance for inventories	(1,591,804)	1,488,087
Loss on disposal of plant and equipment	-	215
Loss of fair value of foreign exchange forward contract	18,990	-
Gain on termination of lease	-	(5,966)
Provision for retirement benefit obligations	12,922	2,128
Interest expense	736,880	929,354
Interest income	(1,892,734)	(182,590)
Currency realignment	59,001	47,616
Operating cash flow before working capital changes	8,165,595	17,656,852
Inventories	(12,904,860)	(15,165,633)
Trade and other receivables	5,492,295	19,610,935
Trade and other payables	11,457,467	(13,981,207)
Cash generated from operations	12,210,497	8,120,947
Income tax paid	(2,554,539)	(2,472,601)
Net cash generated from operating activities	9,655,958	5,648,346
Cash flow from investing activities		
Purchase of plant and equipment	(119,298)	(167,830)
Proceeds from disposal of plant and equipment	9,482	4,426
Interest received	1,892,734	182,590
Net cash from investing activities	1,782,918	19,186
Cash flows from financing activities		
Dividends paid on ordinary shares	(10,000,000)	(10,000,000)
Interest expense	(685,828)	(874,680)
Repayment of principal portion of lease liabilities	(583,095)	(537,572)
Repayment of interest on lease liabilities	(51,052)	(57,116)
Net cash used in financing activities	(11,319,975)	(11,469,368)
Net increase (decrease) in cash and cash equivalents	118,901	(5,801,836)
Cash and cash equivalents at beginning of the financial year	41,767,015	47,568,851
Cash and cash equivalents at end of the financial year	41,885,916	41,767,015

See accompanying notes to financial statements.

1. CORPORATE INFORMATION

Redington Distribution Pte Ltd (the “Company”) is a limited liability company incorporated and domiciled in Singapore. The Company is a wholly-owned subsidiary of Redington Limited, a company incorporated in India. Related company in these financial statements refer to members of the Redington Limited group of companies.

The registered office and principal place of business of the Company is located at 60 Robinson Road, #12-02 BEA Building, Singapore 068892.

The principal activities of the Company are that of a general merchant and importer and exporter of computers, computer peripherals and components. The principal activities of the subsidiary companies are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

1.1 BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis, except as disclosed in the material accounting policy information below, and are drawn up in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore (“FRSs”). The financial statements are expressed in United States dollars.

1.2 ADOPTION OF NEW AND REVISED STANDARDS

In the current year, the Branch has applied all the new and revised FRSs that are mandatorily effective for an accounting period that begins on or after January 1, 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements except as below.

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The Group has adopted the amendments to FRS 1 Presentation of Financial Statements for the first time in the current year. The amendments change the requirements in FRS 1 with regard to disclosure of accounting policies. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in FRS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Group has applied materiality guidance in FRS Practice Statement 2 in identifying its material accounting policies for disclosures in the related notes. The previous term ‘significant accounting policies’ used throughout the financial statements has been replaced with ‘material accounting policy information’.

Amendments to FRS 12: International Tax Reform - Pillar Two Model Rules

The Group has adopted the amendments to FRS 12 Income Taxes relating to International Tax Reform – Pillar Two Model Rules for the first time in the current year. The scope of FRS 12 was amended to clarify that the standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in FRS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense or benefit related to Pillar Two income taxes.

The amendments have no impact on the Group in the current year as management has determined that the Branch is not in scope of the Pillar Two model rules.

2. MATERIAL ACCOUNTING POLICY INFORMATION

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. 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.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring its accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group’s equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 9.

In the Company’s separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

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

- 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.

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, 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.

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 allowance.

Interest income is recognised 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.

Interest income is recognised in profit or loss and is included in the “finance income” line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) for trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using the specific identification method based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group 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 Group 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. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

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

- the financial instrument has a low risk of default,

- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and

- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Irrespective of the outcome of the above assessment, the Group 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 Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the debtor 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 borrower to fulfil its contractual cash flow obligations.

The Group 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 Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group 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. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group 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. Financial assets written off may still be subject to enforcement activities under the Group 's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the exposure includes the amount of drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

If the Group 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 Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group 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 entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade payables and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, except for short-term payables where the recognition of interest is immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

LEASES - The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer	-	3 years
Furniture and equipment	-	5 years
Leasehold improvements	-	5 years
Motor vehicle	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

INTANGIBLE ASSETS - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in Note 10. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

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, but so 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.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

REVENUE RECOGNITION - The Group recognises revenue from logistical services provided. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to the end customer.

Sale of computers, computer peripherals and components

The Group supplies computers, computer peripherals and components for external customers.

Revenue is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customers based on the sales incoterms. Delivery occurs when the products have been shipped to the specific location and all criteria for acceptance have been satisfied. The goods are often sold with retrospective sales commissions based on the aggregate sales over a period of time.

The Group recognises the expected sales commissions payable to the dealers when consideration have been received from customers. At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

Fee income

Fee income is recognised upon services rendered in accordance to terms of the agreement.

Interest income

Interest income is recognised using the effective interest method.

RETIREMENT BENEFIT OBLIGATIONS - Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contributionplans and are charged as an expense as they fall due.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

SHARE-BASED PAYMENT TRANSACTIONS OF THE COMPANY. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

INCOME TAX - The income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollar, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States dollar using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash and bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group'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.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Estimation of lease term

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group included the extension option in the lease term for leases of office, warehouses and as the management is reasonably certain that the option will be exercised.

(b) Taxation provisions

The Group has exposure to income taxes in Singapore, Qatar and India. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of income tax payable of the Group and the Company as at March 31, 2024 are US$6,486,286 and US$5,500,519 (2023 : US$6,686,864 and US$5,714,125) respectively.

(c) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of trade and other receivables at the end of the reporting period are disclosed in Note 14 to the financial statements.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Financial assets				
Amortised cost	96,906,058	101,590,262	56,649,875	64,123,873
Financial liabilities				
Amortised cost	67,642,922	56,797,216	17,807,457	18,140,395
Lease liabilities	929,067	1,441,235	183,184	421,237

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

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

(c) Financial management policies and objectives

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The policies for managing each of these risks are summarised below. The Group does not hold or engages derivative financial instruments.

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

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

i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The major classes of financial assets of the Group are cash and bank balances, bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers with high credit rating. Cash at banks are placed with or entered into with reputable financial institutions.

Credit exposure to an individual counterparty is guided by credit limits that are approved by the management. The counterparty's payment profile and credit exposure are continuously monitored by the management.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

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

Category	Description	Basis for recognising expecting credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Branch has no realistic prospect of recovery.	Amount is written-off

The table below details the credit quality of the financial assets as well as maximum exposure to credit risk by credit risk rating grades:

Group	Note	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	US$	US$
2024						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	50,938,372	(1,031,420)	49,906,952
Other receivables	14	Performing	12-month ECL	5,113,190	-	5,113,190
					(1,031,420)	
2023						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	57,398,484	(2,140,678)	55,257,806
Other receivables	14	Performing	12-month ECL	4,565,441	-	4,565,441
					(2,140,678)	

Company	Note	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
2024						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	18,323,587	(522,466)	17,801,121
Other receivables	14	Performing	12-month ECL	4,933,929	-	4,933,929
					(522,466)	
2023						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	26,698,019	(1,634,859)	25,063,160
Other receivables	14	Performing	12-month ECL	4,239,958	-	4,239,958
					(1,634,859)	

(i) The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by customers. The expected credit losses also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults. Further details on the loss allowance for these receivables are disclosed in Note 14.

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables, before allowance for impairment, is as follows:

	Group	
	2024	2023
	US$	US$
By country:		
India	1,029,092	10,644,323
Sri Lanka	4,785,462	1,546,380
Bangladesh	13,973,987	7,262,700
Qatar	30,955,622	29,845,467
Other countries	194,209	7,809,239

ii) Liquidity risk management

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The maturity profile of the lease liability as the reporting date based on contractual undiscounted repayment obligations is:

	Group			
	Carrying amount	Contractual cash flows	One year or less	One to five years
	US$	US$	US$	US$
2024				
Lease liabilities	929,067	968,836	557,095	411,741
2023				
Lease liabilities	1,441,235	1,517,541	595,462	922,079

	Company			
	Carrying amount	Contractual cash flows	One year or less	One to five years
	US$	US$	US$	US$
2024				
Lease liabilities	183,184	186,833	174,501	12,332
2023				
Lease liabilities	421,237	436,474	249,612	186,862

iii) Foreign exchange risk management

The Group undertakes in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore Dollars ("SGD"), Sri Lanka Rupee ("LKR") and Bangladesh Taka ("BDT"). Currency risk arises when transactions are denominated in foreign currencies. In addition, the Group is exposed to currency translation risk on the net assets in foreign operations.

Exposure to currency risk

The Group's significant exposure to foreign currencies other than the respective Group entity's functional currencies are as follows:

	2024		
	SGD	LKR	BDT
	US$	US$	US$
Group			
Financial assets			
Cash and cash equivalents	1,095,572	262,937	51,357
Trade and other receivables		2,208,138	8,330
	1,095,572	2,471,075	59,687
Financial liabilities			
Trade and other payables	-	(2,072,355)	(116,937)
Net currency exposure	1,095,572	398,720	(57,250)

	2023		
	SGD	LKR	BDT
	US$	US$	US$
Group			
Financial assets			
Cash and cash equivalents	740,925	316,687	62,753
Trade and other receivables	-	649,052	10,515
	740,925	965,739	73,268
Financial liabilities			
Trade and other payables	-	(246,030)	(112,850)
Net currency exposure	740,925	719,709	(39,582)

	2024	2023
	SGD	SGD
	US$	US$
Company		
Financial assets		
Cash and cash equivalents	1,095,572	740,925
Net currency exposure	1,095,572	740,925

Sensitivity analysis for foreign currency risk

The following table details the sensitivity to a 10% increase/decrease in the exchange rate of the relevant foreign currencies against the functional currency of each group entity. The magnitude chosen represents management's assessment of the plausible movement in foreign exchange rates under trading conditions. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

If the relevant foreign currencies strengthen by 10% against the functional currency of each group entity, loss for the year will decrease (increase) by:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
SGD	109,557	74,093	109,557	74,093
LKR	39,872	71,971	-	-
BDT	(5,725)	(3,958)	-	-

If the relevant foreign currencies weaken by 10% against the functional currency of each group entity, loss for the year will increase (decrease) by the same amount above.

(d) Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature. The fair values of other classes of financial liabilities are disclosed in the respective notes to financial statements.

(e) Capital management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group include issued capital. The Group's overall strategy remain unchanged from prior year.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Redington Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated. Transactions between members of the Group have been eliminated on consolidation and are not disclosed in this note.

Significant transactions during the financial year ended:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Holding company:				
- Service fee	100,732	295,840	100,732	295,840
- Reimbursement of expenses	23,657	15,224	23,657	15,224
Related companies:				
- Sales	5,434,964	4,791,419	-	-
- Purchases	(31,366,823)	(40,458,302)	-	-
- Service charges	(278,212)	(172,179)	(278,212)	(172,179)
- Other expenses	(2,305,415)	(3,052,598)	-	-
- Reimbursement of expenses	93,469	(244,712)	-	-
- Finance costs	(627,865)	(810,023)	-	-
Subsidiaries				
- Sales	2,658,753	-	2,658,753	704,179
- Service charges	(1,314,522)	-	(1,314,522)	(593,101)

All the above transactions have been entered into the ordinary and usual course of business of the Group and either on normal commercial terms or on terms no less favourable than those available to or from independent third parties.

Compensation of Directors and Key Management Personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Short term employee benefit	-	269,162	-	269,162
Contributions to defined contribution Schemes	-	9,270	-	9,270
Director's fee	77,857	-	77,857	-
	77,857	278,432	77,857	278,432

6. SALES OF GOODS

(a) Disaggregation of revenue

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Major product or service lines				
Sales of goods	456,245,785	487,728,177	80,491,724	144,383,713
Timing of transfer of goods				
At a point in time	456,245,785	487,728,177	80,491,724	144,383,713

(b) Contract liabilities

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Receivables from contracts with customers	49,906,952	55,257,806	17,801,121	25,063,160
Contract liabilities	3,201,467	2,554,901	2,710,679	2,532,437

The Group and the Company have recognised reversal of loss allowance on receivables arising from contracts with customers amounting to US$1,136,691 and US$1,112,393 (2023 : US$267,608 and US$151,963) respectively.

Contract liabilities primarily relate to the Group's and Company's obligation to transfer goods to customers for which the Group and the Company have received advances from customers.

Contract liabilities are recognised as revenue as the Group and the Company perform under the contract.

Significant change in contract liabilities is as follows:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Revenue recognised that was included in the contract liability balance at the beginning of the year	642,276	764,946	642,276	742,481

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Reversal of loss allowance on trade receivables	(1,136,691)	(267,608)	(1,112,393)	(151,963)
Allowance for (Reversal of allowance on) inventories	(1,591,804)	1,488,087	(1,516,453)	1,085,769
Depreciation of plant and equipment	116,328	105,473	5,516	5,944
Amortisation of intangible asset	74	304	-	-
Depreciation of right-of-use assets	579,260	545,712	230,383	226,005
Bank charges	307,991	428,330	144,590	182,812
Impairment loss on investment in a subsidiary	-	-	-	10,942

8. INCOME TAX EXPENSE

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Current income tax:				
- Current year	1,092,972	2,003,880	227,475	1,040,574
- Under (Over) provision in respect of previous years	663,806	34,804	364,204	67,857
- Withholding tax	334,539	357,993	334,539	357,993
- India tax provision	261,407	3,037,354	261,407	3,037,354
	2,352,724	5,434,031	1,187,623	4,503,778
Deferred income tax:				
- Origination and reversal of temporary differences	(194,419)	(8,200)	-	-
- Currency adjustment	23,224	(5,459)	-	-
	(171,195)	(13,659)	-	-
	2,181,529	5,420,372	1,187,623	4,503,778

Domestic income tax is calculated at 17% (2023 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Profit before tax	11,263,368	14,994,127	3,186,671	6,128,693
Tax using the Singapore tax rate of 17% (2023 : 17%)	1,914,773	2,549,002	541,734	1,041,878
Effect of tax rates in foreign jurisdictions	(383,148)	(530,718)	-	-
Tax effect of not deductible expenses	(425,649)	11,700	(301,257)	11,700
Tax effect of income that are not taxable	(171,195)	(55,926)		
Under provision in respect of previous years	663,806	34,804	364,204	67,857
Tax effect of partial tax exemption and tax relief	(13,004)	(13,004)	(13,004)	(13,004)
Withholding tax	334,539	357,993	334,539	357,993
Others	-	29,167	-	-
India tax provision	261,407	3,037,354	261,407	3,037,354
Income tax expense	2,181,529	5,420,372	1,187,623	4,503,778

9. PLANT AND EQUIPMENT

	Group				
	Computer	Furniture and equipment	Leasehold improvements	Motor vehicle	Total
	US$	US$	US$	US$	US$
Cost:					
At April 1, 2022	389,478	358,930	61,241	34,133	843,782
Additions	116,057	51,773	-	-	167,830
Disposals	(83,369)	(11,073)	-	-	(94,442)
Exchange differences	(17,429)	(8,109)	84	-	(25,454)
At March 31, 2023	404,737	391,521	61,325	34,133	891,716
Additions	49,655	69,643	-	-	119,298
Disposals	(65,651)	(7,976)	-	-	(73,627)
Exchange differences	5,950	1,684	-	-	7,634
At March 31, 2024	394,690	454,872	61,325	34,133	945,021
Accumulated depreciation:					
At April 1, 2022	307,648	260,528	6,133	34,133	608,442
Depreciation charge	63,294	39,122	3,057	-	105,473
Disposals	(78,998)	(10,803)	-	-	(89,801)
Exchange differences	(10,164)	(4,540)	18	-	(14,686)
At March 31, 2023	281,780	284,307	9,208	34,133	609,428
Depreciation charge	62,508	50,754	3,066	-	116,328
Disposals	(56,728)	(7,417)	-	-	(64,145)
Exchange differences	2,948	1,818		-	4,766
At March 31, 2024	290,508	329,462	12,274	34,133	666,377
Carrying amount:					
At March 31, 2024	104,183	125,410	49,051	-	278,644
At March 31, 2023	122,957	107,214	52,117	-	282,288

	Company		
	Computer	Furniture and equipment	Total
	US$	US$	US$
Cost:			
At April 1, 2022	120,473	27,176	147,649
Additions	3,814	-	3,814
Deletions	(61,034)	(5,058)	(66,092)
At March 31, 2023	63,252	22,119	85,371
Additions	1,331	-	1,331
Deletions	(9,421)	(3,805)	(13,226)
At March 31, 2024	55,162	18,314	73,476
Accumulated depreciation:			
At April 1, 2022	115,986	16,160	132,146
Depreciation charge	2,995	2,949	5,944
Deletions	(61,035)	(5,058)	(66,093)
At March 31, 2023	57,947	14,051	71,997
Depreciation charge	3,129	2,387	5,516
Deletions	(9,421)	(3,346)	(12,767)
At March 31, 2024	51,655	13,091	64,746
Carrying amount:			
At March 31, 2024	3,507	5,223	8,730
At March 31, 2023	5,306	8,067	13,373

10. INTANGIBLE ASSETS

	Group
	Computer software
	US$
Cost:	
At April 1, 2022	21,607
Exchange differences	(1,012)
At March 31, 2023	20,595
Disposal	(797)
Exchange differences	1,605
At March 31, 2024	21,402
Accumulated amortisation:	
At April 1, 2022	20,841
Amortisation charge	304
Exchange differences	(946)
At March 31, 2023	20,199
Amortisation charge	74
Disposal	(757)
Exchange differences	1,533
At March 31, 2024	21,050
Carrying amount:	
At March 31, 2024	352
At March 31, 2023	396

Intangible assets relate to cost incurred on computer software. This is amortised on a straight-line basis over 5 years.

11. RIGHT-OF-USE ASSETS

	Group		
	Office space	Warehouses	Total
	US$	US$	US$
Cost:			
At April 1, 2022	1,302,290	1,875,635	3,177,925
Additions	633,150	3,676	636,826
Termination of lease	(895,966)	-	(895,966)
Currency adjustment	(6,620)	-	(6,620)
At March 31, 2023	1,032,854	1,879,311	2,912,165
Additions	79,107	-	79,107
Currency Adjustment	9,386	-	9,386
At March 31, 2024	1,121,347	1,879,311	3,000,658
Accumulated depreciation:			
At April 1, 2022	520,111	989,147	1,509,258
Depreciation for the year	256,698	289,014	545,712
Termination of lease	(525,342)	-	(525,342)
Currency adjustment	(1,324)	(1,490)	(2,814)
At March 31, 2023	250,143	1,276,671	1,526,814
Depreciation for the year	287,928	291,332	579,260
Currency Adjustment	12,032	-	12,032
At March 31, 2024	550,103	1,568,003	2,118,106
Carrying amount:			
At March 31, 2024	571,244	311,308	882,552
At March 31, 2023	782,711	602,640	1,385,351

	Company		
	Office space	Warehouses	Total
	US$	US$	US$
Cost:			
At April 1, 2022	612,458	710,392	1,322,850
Additions	62,060	3,676	65,736
At March 31, 2023 and March 31, 2024	674,518	714,068	1,388,586
Accumulated depreciation:			
At April 1, 2021	297,592	464,827	762,419
Depreciation for the year	120,126	105,879	226,005
At March 31, 2023	417,718	570,706	988,424
Depreciation for the year	122,763	107,620	230,383
At March 31, 2024	540,481	678,326	1,218,807
Carrying amount:			
At March 31, 2024	134,037	35,742	169,779
At March 31, 2023	256,800	143,362	400,162

The Group has a lease contract for its office premises and warehouses with a lease term of 3 to 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Amount recognised in profit or loss relating to leases (The Group and Company as lessee)

(Disclosure required under FRS 116)

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Depreciation of right-of-use assets	579,260	545,712	230,383	226,005
Interest expense on leases liabilities	51,052	57,116	11,564	19,424

12. INVESTMENT IN SUBSIDIARIES

Name of Company (Country of incorporation	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
		2024	2023	2024	2023
		US$	US$	%	%
Held by the Company					
Redington Bangladesh Limited (Bangladesh)	Marketing, selling and maintenance of computer hardware, accessories and spare parts (Bangladesh)	51,294	51,294	99	99
Redington SL Private Limited# (Sri Lanka)	Wholesale distribution of Information Technology products and spare parts (Sri Lanka)	250,000	250,000	100	100
Redington Qatar Distribution WLL (Qatar)*	Wholesale distribution of Information Technology products and spare parts (Qatar)	490,453	490,453	49	49
Redington Qatar WLL (Qatar)*	Servicing of information technology products (Qatar)	128,148	128,148	49	49
		919,895	919,895		

* Beneficial interest is 100%

The business acquisition of Redington Qatar Distribution WLL and Redington Qatar WLL does not meet the definition of a ‘Business Combination’ under FRS 103 since it does not result in any change of economic substance as far as shareholders of Redington Qatar Distribution WLL and Redington Qatar WLL are concerned. This transaction is a business combination involving entities under common control and accordingly, the Group has applied the pooling of interest method.

The assets and liabilities of Redington Qatar Distribution WLL and Redington Qatar WLL acquired as at December 2, 2018 had been recorded at book values and the difference between the consideration paid and net assets of the business acquired was reflected within merger reserve.

13. INVENTORIES

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Finished goods (at cost or net realisable value)	38,884,579	24,387,915	2,382,852	3,549,086
Statement of profit or loss and other comprehensive income				
Inventories recognised as an expense in cost of sales	430,575,762	458,651,628	76,728,806	134,930,012
Inclusive of the allowance for (reversal of allowance on) inventories	(1,591,804)	1,488,087	(1,516,453)	1,085,769

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Trade receivables:				
- Outside parties	50,472,929	56,954,255	17,116,655	26,192,936
- Amount due from holding company	125,249	13,030	125,249	13,030
- Amount due from related company	340,194	431,199	185,407	290,375
- Amount due from subsidiaries	-	-	896,276	201,678
	50,938,372	57,398,484	18,323,587	26,698,019
Loss allowance	(1,031,420)	(2,140,678)	(522,466)	(1,634,859)
	49,906,952	55,257,806	17,801,121	25,063,160
Deposits	172,075	173,450	68,821	68,408
Staff loan	24,120	15,577	13,433	-
GST receivables	474,648	224,592	474,648	224,592
Prepayments	368,528	171,083	25,627	7,732
Other receivables	4,916,995	4,376,414	4,851,675	4,171,550
	55,863,318	60,218,922	23,235,325	29,535,442

The average credit period ranges from 30 to 90 days (2023 : 30 to 90 days). No interest is charged on the trade receivables.

The following table details the risk profile of trade receivables from contracts with customers based on the provision matrix of the Group. As the historical credit loss experience of the Group does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the different customer base of the Group.

	Group			
	Not past due	Past due 1 to 90 days	Past due more than 90 days	Total
	US$	US$	US$	US$
March 31, 2024				
Expected credit loss rate	-	3%	33%	
Estimated total gross carrying amount	37,764,187	10,961,252	2,212,933	50,938,372
Lifetime ECL	-	(296,348)	(735,072)	(1,031,420)
Total	37,764,187	10,664,904	1,477,861	49,906,952
March 31, 2023				
Expected credit loss rate	-	4%	27%	
Estimated total gross carrying amount	42,391,050	8,401,299	6,606,135	57,398,484
Lifetime ECL	-	(343,695)	(1,796,983)	(2,140,678)
Total	42,391,050	8,057,604	4,809,152	55,257,806

	Company			
	Not past due	Past due 1 to 90 days	Past due more than 90 days	Total
	US$	US$	US$	US$
March 31, 2024				
Expected credit loss rate	-	4%	14%	
Estimated total gross carrying amount	9,331,033	7,402,995	1,589,559	18,323,587
Lifetime ECL	-	(296,348)	(226,118)	(522,466)
Total	9,331,033	7,106,647	1,363,441	17,801,121
March 31, 2023				
Expected credit loss rate	-	4%	31%	
Estimated total gross carrying amount	14,505,125	8,062,705	4,130,189	26,698,019
Lifetime ECL	-	(343,695)	(1,291,164)	(1,634,859)
Total	14,505,125	7,719,010	2,839,025	25,063,160

The movement in credit loss allowance is as follows:

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Balance at beginning of year	2,140,678	2,438,017	1,634,859	1,786,822
Reversal of loss allowance	(1,136,691)	(267,608)	(1,112,393)	(151,963)
Exchange differences	27,433	(29,731)	-	-
Balance at end of year	1,031,420	2,140,678	522,466	1,634,859

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Fixed deposits	29,732,979	128,465	29,732,979	80,413
Cash and bank balances	12,152,937	41,638,550	4,181,846	34,740,342
	41,885,916	41,767,015	33,914,825	34,820,755

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
<u>Non-current</u>				
Other payables	315,852	229,101	-	-
<u>Current</u>				
Trade payables				
- Outside parties	56,342,538	42,817,558	17,077,691	16,894,583
- Amount due to a related company	6,231,099	10,480,244	286,942	1,022,803
Accrued operating expenses	2,975,156	2,177,766	442,824	223,009
Other payables	1,778,277	1,092,547	-	-
	67,327,070	56,568,115	17,807,457	18,140,395

The average credit period on purchases of goods is 90 days (2023 : 90 days). No interest is charged on the outstanding balance.

17. LEASE LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Maturity analysis:				
Year 1	557,095	595,462	174,501	249,612
Year 2	231,501	513,396	12,332	174,501
Year 3	113,836	228,413	-	12,361
Year 4	66,404	113,836	-	-
Year 5	-	66,434	-	-
	968,836	1,517,541	186,833	436,474
Less: Unearned interest	(39,769)	(76,306)	(3,649)	(15,237)
	929,067	1,441,235	183,184	421,237
Analysed as:				
Current	530,609	554,252	170,894	238,052
Non-current	398,458	886,983	12,290	183,185
	929,067	1,441,235	183,184	421,237

Reconciliation of liabilities arising from financing activities

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	Group						
	April 1, 2023	New lease liability	Financing cash flows	Termination of lease	Interest expense	Other changes[(i)]	March 31, 2024
	US$	US$	US$	US$	US$	US$	US$
Lease liabilities including interest paid	1,441,235	79,107	(634,147)	-	51,052	(8,180)	929,067

	Group						
	April 1, 2022	New lease liability	Financing cash flows	Termination of lease	Interest expense	Other changes[(i)]	March 31, 2023
	US$	US$	US$	US$	US$	US$	US$
Lease liabilities including interest paid	1,726,348	636,826	(594,688)	(376,590)	57,116	(7,777)	1,441,235

[(i)] Other changes include foreign exchange (gain) loss.

	Company				
	April 1, 2023	New lease liability	Financing cash flows	Interest expense	March 31, 2024
	US$	US$	US$	US$	US$
Lease liabilities including interest paid	421,237	-	(249,616)	11,564	183,185

	Company				
	April 1, 2022	New lease liability	Financing cash flows	Interest expense	March 31, 2023
	US$	US$	US$	US$	US$
Lease liabilities including interest paid	581,159	65,736	(245,082)	19,424	421,237

18. SHARE CAPITAL

	Group and Company	
	2024	2023
	US$	US$
Issued and fully paid: -		
3,800,000 ordinary shares	4,000,000	4,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

19. OTHER RESERVE

Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to director and employees. The reserve is made up of the cumulative value of services received from director and employees recorded over the vesting period commencing from the grant date of equity-settled share options.

Employee Stock Option Plan 2008

The director and employees of the Company are eligible to participate in the Share Option Plan ("Option Plan") of the holding company. Options are typically granted with an exercise price equal to or above fair market value on the date of grant. Under the Option Plan, options vest and become exercisable in instalments, generally on a rateable basis. The contractual life of the options is one to eight years. There are no cash settlement alternatives.

There were no share options as at March 31, 2024 and March 31, 2023.

20. MERGER RESERVE

Merger reserve represents the difference between the considerations paid and the nominal value of the share capital issued in respect of the acquisition of subsidiaries accounted for under pooling-of-interest method.

21. DEFERRED TAX ASSET

Deferred tax asset relates to the following:

	Group	
	2024	2023
	US$	US$
Deferred tax asset:		
Provisions	340,974	146,556

22. COMMITMENTS AND CONTINGENCIES

Legal claims contingency

In the ordinary course of business, the Group and Company face claims and assertions by various parties. The Group and Company assess such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Group and the Company record a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group and the Company provide disclosure in the financial statements but do not record a liability in its accounts unless the loss becomes probable.

	Group		Company	
	2024	2023	2024	2023
	US$	US$	US$	US$
Disputed Tax demands				
India Income Tax	34,245,745	32,950,966	34,245,745	32,950,966

Pursuant to the demand raised by India Income Tax Department for US$39,180,703 contending that there is a Permanent Establishment in India by Redington Distribution Pte Ltd (the "Company") relating to financial years 2010-11 to 2017-18 and 2019-20, the Company had made a pre-deposit of US$4,708,020 under protest as part payment for the tax demand raised by the Indian Income Tax authorities. The Company filed an application before appropriate authorities in Singapore and India for resolution of dispute under Mutual Agreement Procedure ("MAP") in accordance with the India Singapore Double Taxation Avoidance Agreement. As per the resolution under MAP concluded during FY 2023-24, the respective authorities of Singapore and India set aside the determination of existence of PE and have proceeded with a resolution for a 25% profit attribution on certain segment of sales.

The Company has since accepted the resolution under MAP and discharged the balance liability amounting to US$296,928 for FYs 2010-11 to FY 2015-16 and documentation formalities are in process for the balance years. In respect of software sales in the nature of royalty on which issue has been raised by the Income Tax Authorities, the Company is contesting the demand before the appropriate legal forums in India.

Based on the management's assessment of the demand raised and opinion of the legal counsel and tax advisor, the Company created a provision to the extent of US$4,934,958. The legal counsel and tax advisor also opined that apart from the above provision, the rest of the demand is not sustainable in law. The Company also believes that tax demand has been determined in an arbitrary manner and there would be no material adverse outcome in this matter. Hence no provision is created in the books for the remaining amount of US$34,245,745 (US$39,180,703 Less: US$4,934,958).

23. DIVIDENDS

	Group	
	2024	2023
	US$	US$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for US$2.63 (2023 : US$2.63)	10,000,000	10,000,000

24. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended March 31, 2024 were authorised for issue in accordance with a resolution of the director on May 1, 2024.