
DYNACONS SYSTEMS & SOLUTIONS PTE. LTD.

(Company Registration No. 201707647W)

Financial Statements For The Year Ended March 31, 2024

Dynacons Systems & Solutions Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Anjaria Shirish

Anjaria Dharmesh Shirish

Dalal Parag Jitendra

Narasimhan Mohan

Secretary

Narasimhan Mohan

Registered Office

1 North Bridge Road

#19-08 High Street Centre

Singapore 179094

Auditors

Natarajan & Swaminathan LLP

Chartered Accountants of Singapore

1 North Bridge Road

#19-04/05 High Street Centre

Singapore 179094

Index	Page
Directors' Statement	1 - 2
Independent Auditors' Report	3 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 24

Dynacons Systems & Solutions Pte. Ltd.

Directors' Statement

For the financial year ended March 31, 2024

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2024.

1 Directors

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

Anjaria Shirish

Anjaria Dharmesh Shirish

Dalal Parag Jitendra

Narasimhan Mohan

2 Arrangements to enable directors to acquire shares and debentures

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

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows

<u>Name of directors</u>	<u>At beginning of year</u>	<u>At end of year</u>
<i>Number of ordinary shares</i>		
Anjaria Dharmesh Shirish - Deemed interest	1,658,353	956,890
Dalal Parag Jitendra - Deemed interest	1,911,733	1,039,816
Anjaria Shirish - Deemed interest	2,099,093	2,099,093

4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Dynacons Systems & Solutions Pte. Ltd.

Directors' Statement

For the financial year ended March 31, 2024

5 Auditors

The auditors, Natarajan & Swaminathan LLP, have expressed their willingness to accept re-appointment.

6 Directors' opinion

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors


Anjaria Shirts


Anjaria Dharmesh Shirish

Date: August 30, 2024

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DYNACONS SYSTEMS & SOLUTIONS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DYNACONS SYSTEMS & SOLUTIONS PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2024 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DYNACONS SYSTEMS & SOLUTIONS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Incorporated in the Republic of Singapore)

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

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

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

Auditors' 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 SSA 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 SSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF DYNACONS SYSTEMS & SOLUTIONS PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
(Incorporated in the Republic of Singapore)

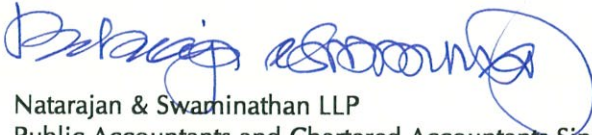
Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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



Natarajan & Swaminathan LLP
Public Accountants and Chartered Accountants Singapore

Date: August 30, 2024

Dynacons Systems & Solutions Pte. Ltd.

Statement of Financial Position

As at March 31, 2024

	Note	<u>2024</u>	<u>2023</u>
		US\$	US\$
Assets			
Current assets			
Trade receivables	3	14,400	39,290
Cash and bank balances	4	<u>7,849</u>	<u>8,843</u>
Total current assets		<u>22,249</u>	<u>48,133</u>
Total assets		<u><u>22,249</u></u>	<u><u>48,133</u></u>
Equity and liabilities			
Equity			
Share capital	5	7,678	7,678
Accumulated profits		<u>2,290</u>	<u>16,056</u>
Total equity		<u>9,968</u>	<u>23,734</u>
Current liabilities			
Trade payables and accruals	6	10,371	19,578
Other payables	7	1,394	4,305
Income tax payable		<u>516</u>	<u>516</u>
Total current liabilities		<u>12,281</u>	<u>24,399</u>
Total liabilities		<u>12,281</u>	<u>24,399</u>
Total equity and liabilities		<u><u>22,249</u></u>	<u><u>48,133</u></u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Dynacons Systems & Solutions Pte. Ltd.

Statement of Comprehensive Income

For the financial year ended March 31, 2024

	Note	<u>2024</u>	<u>2023</u>
		US\$	US\$
Revenue	8	3,463	39,290
Cost of sales		(3,992)	(17,200)
Gross profit		(529)	22,090
Operating expenses		(13,237)	(12,310)
(Loss)/profit before income tax	9	(13,766)	9,780
Income tax expense	10	-	(423)
(Loss)/profit after income tax		(13,766)	9,357
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(13,766)</u>	<u>9,357</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Dynacons Systems & Solutions Pte. Ltd.

Statement of Changes in Equity

For the financial year ended March 31, 2024

	Share capital	Accumulated profits	Total
	US\$	US\$	US\$
Balance as at 01.04.2022	7,678	6,699	14,377
Total comprehensive income for the year	-	9,357	9,357
Balance as at 31.03.2023	7,678	16,056	23,734
Total comprehensive loss for the year	-	(13,766)	(13,766)
Balance as at 31.03.2024	7,678	2,290	9,968

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Dynacons Systems & Solutions Pte. Ltd.

Statement of Cash Flows

For the financial year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Cash flows from operating activities		
(Loss)/profit before income tax	(13,766)	9,780
Operating (loss)/profit before working capital changes	(13,766)	9,780
Trade receivables	24,890	(39,290)
Trade payables and accruals	(9,207)	17,200
Other payables	(2,911)	4,047
Cash used in operations	(994)	(8,263)
Income tax refund	-	93
Net cash used in operating activities	(994)	(8,170)
Net decrease in cash and cash equivalents	(994)	(8,170)
Cash and cash equivalents brought forward	8,843	17,013
Cash and cash equivalents carried forward	<u>7,849</u>	<u>8,843</u>
Cash and cash equivalents comprise:-		
Cash at bank	4,991	5,985
Cash in hand	2,858	2,858
	<u>7,849</u>	<u>8,843</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

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

1 Corporate information

The Company (Registration No. 201707647W) is a private limited Company incorporated and domiciled in Singapore.

The registered office of the Company is located at 1 North Bridge Road, #19-08 High Street Centre, Singapore 179094.

The principal activities of the Company are to provide other information technology and computer services activities.

There have been no significant changes in the nature of these activities during the financial year.

Holding company

The Company is a wholly-owned subsidiary of "Dynacons Systems & Solutions Limited", a company incorporated in the Republic of India, which is also the ultimate holding company.

2 Material accounting policy information

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act 1967. The financial statements are expressed in United States Dollar (US\$), and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial period beginning on April 1, 2023. The adoption of these standards did not have any material effect on the financial statements of the Company.

2 Material accounting policy information (Cont'd)

b) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgments (other than those involving estimates) that have 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 financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

c) Foreign currency transactions

(i) Functional currency

The functional and measurement currency of the Company is the United States Dollar, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

2 Material accounting policy information (Cont'd)

d) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (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 unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When 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 impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

e) Financial instruments

Financial instruments comprise financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2 Material accounting policy information (Cont'd)

e) Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses
- Financial assets elected at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) ("FVOCI")
- Financial assets at fair value through profit or loss ("FVPL")

The Company's relevant financial assets category are financial assets at amortised cost.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes trade receivable, cash and bank balances.

2 Material accounting policy information *(Cont'd)*

e) Financial instruments *(Cont'd)*

(i) Financial assets *(Cont'd)*

Derecognition

A financial asset is derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Impairment of financial assets

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

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

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

2 Material accounting policy information (Cont'd)

e) Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

The Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include trade payables and accruals and other payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

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

Derecognition

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

f) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank and cash in hand.

g) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer.

2 Material accounting policy information *(Cont'd)*

g) Revenue recognition *(Cont'd)*

Revenue also excludes taxes collected from customers.

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

The Company's revenue is generated from the sale of computers, computer peripherals and hardware. Revenue from rendering of the services is recognised upon completion of the services rendered.

Revenue from yearly service and support fees is recognised on a pro-rata basis over the period in which the services are rendered.

The amount of revenue recognised is based on the transaction price, which comprises the contractual price and discounted for expected returns. Based on Company's experience variable consideration (right to returns) is typically constrained and is included in the transaction only to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

h) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the 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 not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all 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 goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit 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, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2020

2 Material accounting policy information (Cont'd)

h) Income tax (Cont'd)

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 Company intends to settle its current tax assets and liabilities on net basis.

3 Trade receivables

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Outside party	<u>14,400</u>	<u>39,290</u>

The average credit period was 30 days. No interest was charged on the trade receivables due from outside party.

The table below is an analysis of trade receivables aging as at March 31:-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Not past due	<u>14,400</u>	<u>39,290</u>

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

4 Cash and bank balances

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Cash at bank	4,991	5,985
Cash in hand	2,858	2,858
	<u>7,849</u>	<u>8,843</u>

The cash and bank balances that are not denominated in United States Dollar are as follows:-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>3,824</u>	<u>965</u>

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

5 Share capital

	<u>2024</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
	No. of shares issued	US\$	No. of shares issued	US\$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	<u>7,678</u>	<u>7,678</u>	<u>7,678</u>	<u>7,678</u>

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

6 Trade payables and accruals

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Trade payables	771	17,200
Accrued expenses	9,600	2,378
	<u>10,371</u>	<u>19,578</u>

The trade payables and accruals that are not denominated in United States Dollar are as follows:-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>9,600</u>	<u>2,378</u>

7 Other payables

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Sundry payables	<u>1,394</u>	<u>4,305</u>

The other payables that are not denominated in United States Dollar are as follows:-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Singapore Dollar	<u>1,394</u>	<u>4,305</u>

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

8 Revenue

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Type of goods:		
Services income	3,463	-
Sale of goods	-	39,290
	<u>3,463</u>	<u>39,290</u>
Timing of revenue recognition		
At a point in time	-	39,290
Over time	3,463	-
	<u>3,463</u>	<u>39,290</u>

No provision for variable consideration has been made for the financial year.

9 (Loss)/Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Purchases included in cost of sales	-	17,200
Cost of services	3,992	-
Professional fees	3,468	10,653
Foreign exchange loss	41	186
	<u>41</u>	<u>186</u>

Compensation of directors and key management personnel

The key management personnel comprises directors who do not receive any short-term employee benefits during the financial year.

10 Income tax expense

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Current year	-	516
Prior year over provision	-	(93)
	<u>-</u>	<u>423</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to the profit before income tax as a result of the following differences:

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

10 Income tax expense (Cont'd)

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Profit before income tax	<u>(13,766)</u>	<u>9,780</u>
Tax expense at rate of 17%	(2,189)	1,663
Statutory stepped income exemption	-	(1,135)
Deferred tax not recognised in the year	2,189	-
Prior year over provision	-	(93)
Other item	-	(12)
Income tax expense for the financial year	<u>-</u>	<u>423</u>

As at end of the financial year, the Company had unutilised tax losses of about US\$13,766 available for set off against the future taxable profits, subject to compliance with Section 37 of the Income Tax Act 1947 and agreement by the Comptroller of Income Tax.

Deferred tax is not provided for in the financial statements, as there are no significant temporary differences.

11 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Financial assets		
Amortised cost:		
- Trade receivable	14,400	39,290
- Cash and bank balances	7,849	8,843
Total financial assets	<u>22,249</u>	<u>48,133</u>
Financial liabilities		
Amortised cost:		
- Trade payables and accruals	10,371	19,578
- Other payable	1,394	4,305
Total financial liabilities	<u>11,765</u>	<u>23,883</u>

(b) Fair value measurements

Fair value hierarchy

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

11 Financial instruments, financial and capital risk management *(Cont'd)*

(b) Fair value measurements *(Cont'd)*

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There are no financial assets measured at fair value.

Assets and liabilities not measured at fair value

(i) *Trade receivable and trade payables*

The carrying amounts of these receivables and payables (including trade balances due from/to related parties) approximate their fair values as they are subject to normal trade credit terms.

(ii) *Cash and bank balances and other payable*

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

(c) **Financial risk management**

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

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk. It maintains a level of cash and cash equivalents that is sufficient for working capital purposes.

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

11 Financial instruments, financial and capital risk management (Cont'd)

(c) Financial risk management (Cont'd)

Liquidity risk (Cont'd)

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

	Carrying amount	Cash flows		
		Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US\$	US\$	US\$	US\$
<u>2024</u>				
Financial assets				
Trade receivables	14,400	14,400	14,400	-
Cash and bank balances	7,849	7,849	7,849	-
Total undiscounted financial assets	22,249	22,249	22,249	-
Financial liabilities				
Trade payables and accruals	(10,371)	(10,371)	(10,371)	-
Other payables	(1,394)	(1,394)	(1,394)	-
Total undiscounted financial liabilities	(11,765)	(11,765)	(11,765)	-
Total net undiscounted financial assets	10,484	10,484	10,484	-
<u>2023</u>				
Financial assets				
Trade receivables	39,290	39,290	39,290	-
Cash and bank balances	8,843	8,843	8,843	-
Total undiscounted financial assets	48,133	48,133	48,133	-
Financial liabilities				
Trade payables and accruals	(19,578)	(19,578)	(19,578)	-
Other payables	(4,305)	(4,305)	(4,305)	-
Total undiscounted financial liabilities	(23,883)	(23,883)	(23,883)	-
Total net undiscounted financial assets	24,250	24,250	24,250	-

Credit risk

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

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

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

11 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

Credit risk (Cont'd)

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 180 days past the credit due dates, or there is significant difficulty of the counterparty.

Cash at bank are placed with credit worthy financial institutions.

Trade receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, historical credit loss experience based on the past due status of the debtors, and concluded that, there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using lifetime ECL and determined that the ECL is insignificant.

Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates because it has no interest bearing borrowings from any external sources.

Foreign currency risk

The Company has no significant exposure to foreign currency risk as its transactions and balances are denominated in its functional currency, i.e. in United States Dollar.

As at financial year end, the carrying amount of monetary assets and liabilities denominated in currencies other than in United States Dollar are disclosed in the respective notes to the financial statements.

Price risk

The Company has no significant exposure to price risk.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of share capital and cash and cash equivalents.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

The management's overall strategy remains unchanged from 2023.

12 New accounting standards and FRS interpretations

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

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

12 New accounting standards and FRS interpretations (Cont'd)

			<u>Effective from annual periods beginning on or after</u>
FRS 1	(Amendments)	: Classification of Liabilities as Current or Non-current	January 1, 2024
FRS 1	(Amendments)	: Non-current Liabilities with Covenants	January 1, 2024
FRS 7/FRS 107	(Amendments)	: Supplier Finance Arrangements	January 1, 2024
FRS 21	(Amendments)	: Lack of Exchangeability	January 1, 2025
FRS 116	(Amendments)	: Lease Liability in a Sale and Leaseback	January 1, 2024

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

13 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on August 30, 2024.

Dynacons Systems & Solutions Pte. Ltd.

The Accompanying Supplementary Detailed Income Statement

Has Been Prepared For Management Purposes Only

And Does Not Form Part Of The Audited Financial Statements

Dynacons Systems & Solutions Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
	US\$	US\$
Revenue		
Services rendered	3,463	-
Sale of goods	-	39,290
	<u>3,463</u>	<u>39,290</u>
Cost of sales		
Service cost	(3,992)	-
Purchases	-	(17,200)
	<u>(3,992)</u>	<u>(17,200)</u>
Gross profit	<u>362</u>	<u>22,090</u>
Operating expenses		
Bank charges	(502)	(594)
Foreign exchange loss	(41)	(186)
Freight charges	(8,792)	-
Professional fees	(3,468)	(10,653)
Registered office charges	(434)	(877)
	<u>(13,237)</u>	<u>(12,310)</u>
(Loss)/Profit before income tax	(13,766)	9,780
Income tax expense:		
- Current year	-	(516)
- Prior year over provision	-	93
(Loss)/Profit after income tax	<u>(13,766)</u>	<u>9,357</u>
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	<u>(13,766)</u>	<u>9,357</u>

Not Part Of Audited Financial Statements