SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)
Reg. No: 201302691Z

AUDITED FINANCIAL STATEMENTS - 31 MARCH 2020

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SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The directors are pleased to present their statement to the member together with the audited financial statements of Sakuma Exports Pte. Ltd. (the Company) for financial the year ended 31 March 2020.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended; 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.

Directors

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

Singal Manish
Iyer Subramaniam Venkatraman
Meeshal Agarwal

Arrangements to enable directors to acquire shares or debentures

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

Directors' interest in shares or debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations except as stated below:

	Direct interest		**Deemed interest**	
	At the beginning of financial year	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Name of directors				
Shares in immediate and ultimate holding company Sakuma Exports Limited, India Shares Rs:1 each (2020: Rs: 10/-each)				
Singal Manish	1,668,760	1,668,760	-	-

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

Auditors

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors,

Meeshal Agarwal
Director

Iyer Subramaniam Venkatraman
Director

Date: 27 JUL 2020

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SAKUMA EXPORTS PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sakuma Exports Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Emphasis matter

We draw attention to Note 2.1 to the financial statements, which describes the Covid-19 pandemic effect which has significantly affected the operations/revenues of the Company during the year. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors 'Statement [set out on pages 2 to 3].

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

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

Responsibilities of Management and Directors for the Financial Statements cont'd...

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

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

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

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS

Singapore
Date: 27 JUL 2020

SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 US$	2019 US$
ASSETS			
Non-current assets			
Investment in subsidiary	9	10	-
Advance for investment	10	1,500	1,500
Plant and equipment	11	-	-
		1,510	**1,500**
Current assets			
Cash and cash equivalents	12	1,191,064	143,322
Trade and other receivables	13	5,037,728	5,797,977
		6,228,792	**5,941,299**
Total assets		**6,230,302**	**5,942,799**
LIABILITIES			
Current liabilities			
Trade and other payables	14	755,111	470,528
Lease liabilities	15	-	-
Provision for taxation	8	3,586	52,036
Total liabilities		**758,697**	**522,564**
Net Assets		**5,471,605**	**5,420,235**
EQUITY			
Share capital	16	3,165,004	3,165,004
Retained earnings		2,306,601	2,255,231
Equity attributable to owners of the Company		**5,471,605**	**5,420,235**

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US$	2019 US$
Sales	4	16,705,360	94,122,728
Cost of sales	5	(16,290,067)	(93,107,958)
Gross profit		**415,293**	**1,014,770**
Other income	6	42,853	295,709
		458,146	**1,310,479**
Expenses			
Interest on lease liabilities	6a	(166)	-
Administrative and other operating expenses		(402,919)	(924,176)
Profit before tax	7	**55,061**	**386,303**
Income tax expense	8	(3,691)	(50,041)
Profit for the year, representing total comprehensive income for the year		**51,370**	**336,262**

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Share capital US$	Retained earnings US$	Total US$
At 31 March 2018	**165,000**	**1,918,969**	**2,083,969**
Effect of adoption of FRS 109 and FRS 115	-	-	-
At 1 April 2018	**165,000**	**1,918,969**	**2,083,969**
Issuance of shares (Note 14)	3,000,004	-	3,000,004
Profit for the year, representing total comprehensive income for the year	-	336,262	336,262
At 31 March 2019	**3,165,004**	**2,255,231**	**5,420,235**
Effect of adoption of FRS 116	-	-	-
At 1 April 2019	**3,165,004**	**2,255,231**	**5,420,235**
Profit for the year, representing total comprehensive income for the year	-	51,370	51,370
At 31 March 2020	**3,165,004**	**2,306,601**	**5,471,605**

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 US$	2019 US$
Cash flows from operating activities			
Profit before tax		55,061	386,303
Adjustment for			
Depreciation	11	6,676	
Interest on lease liabilities	15	166	-
Loss on pre discharge on lease liabilities		40	-
		61,943	386,303
Changes in working capital:			
Trade and other receivables		760,249	11,774,827
Trade and other payables		284,573	(20,201,472)
Cash flows from/ (used in) operations		**1,106,765**	**(8,040,342)**
Income tax paid	8	(52,141)	(115,515)
Net cash flows from/(used in) operating activities		**1,054,624**	**(8,155,857)**
Cash flows from financing activities			
Principal portion on lease liabilities	15	(6,882)	-
Issuance ordinary of shares during the year	16	-	3,000,004
Net cash flows (used in)/from financing activities		**(6,882)**	**3,000,004**
Net changes in cash and cash equivalents		1,047,742	(5,155,853)
Cash and cash equivalents at beginning of the year		143,322	5,299,175
Cash and cash equivalents at end of the year	12	**1,191,064**	**143,322**

(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)

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

1. GENERAL INFORMATION

Sakuma Exports Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore with its registered office at 10 Jalan Besar, #10-12 Sim Lim Tower, Singapore 208787.

The principal activities of the Company are to carry on the business of general wholesale trade. The Company is trading in maize, sugar, edible oil and other agricultural commodities

The immediate and ultimate holding Company is Sakuma Exports Limited, a company which is incorporated in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements are presented in United States Dollars (US$), which is the Company's functional currency.

Covid-19 Impact

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted the global business environment. In current financial year, the Company was unable to execute their crystal sugar contracts with customers' worth of US$ 40,233,000. Due to Covid-19, the customers did not sign those contracts hence the Company was unable to proceed with the sales initiatives, which has significantly affected the Company's revenue during the financial year.

Nevertheless, the directors are of the view that there will be no long-term adverse impact on Company's operations due to Covid-19 for the following reasons:

1. There will be no long-term impact as the Company is dealing in essential commodities
2. The Company has enough customers' contracts in hand and is planning to execute immediately.
3. The Company is mitigating the risk by spreading the business globally so revenue will not affect significantly in situation such as Covid-19.
4. The Company is able to generate sufficient cash flows from their operations to meet their current and future obligations, and
5. The holding company is ready to infuse additional in the Company if necessary.

However, it would be difficult to analysis the future effect of Covid-19 on the business of the Company due to current uncertainty in local market and globally. The management will continue to monitor closely the development of the Covid-19 pandemic and they are confident that the Company has adequate resources to continue its operations as going concern. The management in the opinion that the Company will still be able to meet its obligations as and when they fall due over the next 12 months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.2 Adoption of new and revised standards

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 the Company's annual financial periods beginning on 1 April 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of material	1 January 2020
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Date to be determined
Amendment to FRS 103 Definition of a Business	1 January 2020

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application

2.4 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.

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.

a) Sale of goods

Revenue is recognised at the point in time when the goods are delivered to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation ("PO"). Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised goods. No element of financing is deemed present as the sales are made with a credit term of 30-280 days from invoice date. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

b) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.5 Subsidiaries

Subsidiaries are entities over which the Company has power to govern the financial and economic policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in the subsidiaries are stated in the financial statements of the Company at cost less impairments losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

The subsidiaries' results have not been consolidated as the subsidiary is dormant and the consolidated financial statements are published by the ultimate holding company, Sakuma Exports Pvt Ltd incorporated in India.

2.6 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Right of use assets	Over the lease period of 1 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.7 Impairment of non-financial assets cont'd...

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognized in profit or loss

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized previously. Such reversal is recognized in profit or loss.

2.8 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.8 Financial instruments cont'd...

a) Financial assets cont'd...

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

De recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

c) Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, an entity:

(a) Currently has a legally enforceable right to set off the recognized amounts, and
(b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.9 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 recognizes 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.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Provisions

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

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

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and fixed deposit are subject to an insignificant risk of changes in value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.12 Foreign currency transaction and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. 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 measured.

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

2.13 Taxes

a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.13 Taxes cont'd...

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

C) Sales tax
Revenues, expenses and assets are recognized net of the amount of sales tax except:

-where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

-Receivables and payables that are stated with the amount of sales tax included.

2.14 Related party

A related party is defined as follows:

A} A person or a close member of that person's family is related to the Company if that person;
(i) Has control or joint over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of parent of the Company.

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

(i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others)
(ii) One entity is an associate or joint venture of the other entity
(iii) Both entities are joint ventures of the same party.
(iv)One entity is a joint venture of a third party and other entity is an associate of the third party.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or a or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
(vi)The entity is controlled or joint controlled by a person identified in (a)
(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2.15 Employee benefits

(a) *Defined contribution plans*

The Company contributes to the to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The Company's contributions to CPF are charged to the profit and loss account in the period to which the contributions relate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.15 Employee benefits cont'd...

(b) Employee leave entitlements

Employee entitlements to annual leave are recognized 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 reporting date.

2.16 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.17 Operating leases as lessee

These accounting policies are applied on and after the initial application of FRS 116, 1 January 2019.

The Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) A Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, any lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

The Company's right-of-use assets are presented in Note 11.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D....

2.17 Operating leases as lessee cont'd...

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payment include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease-payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are in Note 15

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of one of rental premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term. Company does not have lease of low value assets.

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019.

a) As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Judgements made in applying accounting policies

Determination of functional currency

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

3.2 Key sources of estimation uncertainty

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

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. The information about the ECLs on the Company's trade receivables is disclosed in Note 20.

The carrying amount of the Company's trade receivables as at 31 March 2020 was US$3,842,573 (2019: US$4,231,293).

4. REVENUE

Timing of transfer of goods	2020	2019
	US$	US$
Sale of goods -at a point in time	16,705,360	94,122,728
	16,705,360	**94,122,728**

5. COST OF SALES

	2020	2019
	US$	US$
Purchase of goods	16,289,274	92,582,184
Cleaning charges	750	-
Freight and demurrage charges	43	525,774
	16,290,067	**93,107,958**

6. OTHER INCOME

	2020	2019
	US$	US$
Trade dispute claim received	42,853	295,709
	42,853	**295,709**

6a. FINANCE COST

	2020	2019
	US$	US$
Interest on lease liabilities (note 15)	166	-
	166	**-**

7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2020	2019
	US$	US$
Bank charges	4,684	313,500
Bad debts written off trade	145,965	-
Commission on sales	-	360,176
Depreciation	6,676	-
Director fees	-	8,000
Loss on pre discharge of lease liabilities	40	-
Legal expenses	21,261	51,375
Rental	11,777	33,457
Staff salaries	149,323	103,535

8. TAX EXPENSE

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2020 and 2019 were:

	2020 US$	2019 US$
Current year's income tax	3,586	52,036
Under/(over) provision of income tax in prior years	105	(1,995)
Income tax expense recognized in profit or loss	**3,691**	**50,041**

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on Company's profit as a result of the following:

	2020 US$	2019 US$
Profit before taxation	55,061	386,303
Singapore statutory rate of 17% (2019:17%)	9,360	65,672
Tax effect on non-deductibles	801	(784)
Partial tax exemption	(5,380)	(12,852)
Tax rebate	(1,195)	-
Under/(over) provision of tax in prior years	105	(1,995)
Income tax expense recognized in profit or loss	**3,691**	**50,041**

MOVEMENT IN POVISION FOR TAXATION

	2020 US$	2019 US$
Beginning of financial year	52,036	117,510
Under/(over) provision of tax in prior year	105	(1,995)
Tax paid	(52,141)	(115,515)
Current year provision	3,586	52,036
End of financial year	**3,586**	**52,036**

9. INVESTMENT IN SUBSIDIARY

	2020 US$	2019 US$
Unquoted equity shares at cost	10	-
	10	-

The nominal investment cost of US$ 10 is still payable at the reporting date (note 14).

Since the date of incorporation the subsidiary has not started their operations.

9. INVESTMENT IN SUBSIDIARY CONT'D...

The details of the subsidiary are as follows:

Name of the subsidiary	Principal activities	Country of incorporation	Effective percentage of equity held	
			2020	2019
			%	%
Sakuma Exports Canada Ltd	Agro commodities-pulses products	Canada	100	100

10. ADVANCE FOR INVESTMENT

The Company has paid US$ 1,500 (2019: US$ 1,500) to Sakuma Exports Tanzania Pvt Ltd towards share application money. The shares have not yet been allotted and the commitment towards the shares subscribed has given in Note 19.

11. PLANT AND EQUIPMENT

	Right of use asset
Cost	**US$**
Beginning of financial year	-
Additions	20,028
Pre discharge of ROU (note 17a)	(13,352)
End of financial year	**6,676**
Accumulated depreciation	
Beginning of financial year	-
Charges during the year	6,676
End of financial year	**6,676**
Net carrying value as at 31 March 2020	-

Right-of-use assets acquired under leasing arrangements are presented as leasehold premises. Details of leased assets are disclosed in Note 17 (a).

12. CASH AND CASH EQUIVALENTS

	2020	2019
	US$	**US$**
Cash at banks	1,191,064	143,322
	1,191,064	**143,322**

Cash and cash equivalents are denominated in the following currencies:

	2020	2019
	US$	**US$**
Singapore dollars	9,366	34,135
United states dollars	1,181,698	109,187
	1,191,064	**143,322**

13. TRADE AND OTHER RECEIVABLES

	2020 US$	2019 US$
Trade receivables		
Third parties	3,842,573	4,231,293
Other receivables		
Rental deposits	1,684	1,684
Due from a related company	1,193,471	-
Other current assets		
Advance to trade suppliers (Note 16c)	-	1,565,000
Total trade and other receivables	**5,037,728**	**5,797,977**

Trade and other receivables are denominated in the following currencies:

	2020 US$	2019 US$
Singapore dollar	1,684	1,684
United states Dollar	5,036,044	5,796,293
	5,037,728	**5,797,977**

Trade receivables are non-interest bearing and are generally on 30 to 280 days' term.

<u>Expected credit losses</u>

No movement in allowance for expected credit losses (ECL) of trade receivables has been presented as there is no expected credit loss computed based on lifetime ECL.

The advances to trade suppliers relate to advance payments made to trade suppliers of sugar products for contracts scheduled for the following financial year.

The advances to trade suppliers are made without the trade supplier invoices obtained at the point before the expenses were incurred. The advances to trade suppliers will be reclassified and recognised as purchases of goods upon the receipt of trade supplier invoices.

Receivables subject to offsetting arrangements

The Company regularly purchase agro commodities of Sugar and Wheat from two suppliers and during the year sell Soya bean and crude demugged oil to the same customers. Both parties have an arrangement to settle the net amount due to or from each other on a 90 days term basis.

13. TRADE AND OTHER RECEIVABLES CONT'D...

The Company's trade receivables and trade payables those are off-set as follows:

	2020		
	Gross carrying amount before offsetting	**Amounts offset**	**Net amounts in the statement of financial positon**
Description	**US$**	**US$**	**US$**
Trade receivables	-	-	-
Trade payables	-	-	-

	2019		
	Gross carrying amount before offsetting	**Amounts offset**	**Net amounts in the statement of financial positon**
Description	**US$**	**US$**	**US$**
Trade receivables	4,610,000	(871,192)	3,738,808
Trade payables	(871,192)	871,192	-

14. TRADE AND OTHER PAYABLES

	2020	2019
	US$	US$
Trade payables		
Third parties	608,016	360,000
Trade advance received	12,200	-
Other payables		
Due to subsidiary	10	-
Due to directors	28,957	50,973
Other creditors	1,448	-
Accruals	104,480	59,555
	755,111	**470,528**

Trade payables are non-interest bearing. Trade payables are normally settled on 30-280 days terms.

Due to subsidiary is due on investments (note 9)

The amounts due to directors are non-trade in nature, unsecured, interest free and is repayable on demand.

15. LEASE LIABILITIES

	2020	2019
	US$	US$
Current (note 17)	-	-
	-	-

15. LEASE LIABILITIES CONT'D...

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2019	Cash flows	Interest allocated for future periods	Lease payment made	Accretion of interest	Discharge on liabilities	As at 31 March 2020
	US$	US$	US$	US$	US$		US$
Liabilities							
Lease liabilities		6,882	-	(6,716)	(166)		-
Outstanding liabilities							
-current (note 17d)	-	13,312	-			(13,312)	-
	-	**20,194**	-	**(6,716)**	**(166)**	**(13,312)**	-

16. SHARE CAPITAL

	No. of shares		Amount in US$	
Issued and fully paid up ordinary shares	**2020**	**2019**	**2020**	**2019**
Beginning of financial year	402,530	165,000	3,165,004	165,000
Issuance of shares during the year	-	237,530	-	3,000,004
	402,530	**402,530**	**3,165,004**	**3,165,004**

During the previous year, the Company has issued 237,530 ordinary shares for cash consideration and increased its paid up capital by a sum of US$ 3,000,004.

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 restrictions. The ordinary shares have no par value.

17. LEASES

Company as a lessee

The Company has lease contracts for office premises. The Company is restricted from assigning and subleasing the leased assets.

(a) **Carrying amounts of right-of-use assets classified within ROU**

	Office premises
	S$
At 1 April 2019	-
Leases during the year	20,028
Depreciation	(6,676)
Pre discharge of leased assets	(13,352)
At 31 March 2020	-

(b) **Lease liabilities**

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 15

17. LEASES CONT'D...

c) Amounts recognized in profit or loss

	2020 US$
Depreciation of right-of-use assets	6,676
Interest expense on lease liabilities (Note 6a)	166
Loss on discharge of lease liabilities (note 7)	40
Lease expense not capitalized in lease liabilities:	
- Expense relating to short-term leases	11,777
Total amount recognized in profit or loss	18,659

d) Loss on discharge of lease liabilities

	Office premises S$
Discharge on lease liabilities (note 15)	13,312
Discharge on Right of use asset (note 11)	(13,352)
Loss on discharge of leased assets and liabilities (note 6)	40

e) Total cash outflow

The Company had total cash outflows for leases of US$ 6,882 in 2020.

18. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives policies or processes during the financial year ended 31 March 2020 and 31 March 2019.

The Company is not subject to any externally imposed capital requirements. The Company's overall strategy remains unchanged from 2019

	2020 US$	2019 US$
Total trade and other payables	755,111	470,528
Less: Cash and cash equivalents	(1,191,064)	(143,322)
Net debt	-	327,206
Total equity	5,471,605	5,420,235
Total capital	5,471,605	5,747,441
Gearing ratio	**-**	**18 times**

19. COMMITMENTS

a) Capital commitments

Since financial year ended 31 March 2014, the Company has firm commitments towards subscription of shares in the following companies:

Name of the company	Number of shares subscribed	Value in local currency	Value in US$	
			2020	2019
Sakuma Exports (Ghana) Limited	600,000	GHC 600,000	104,770	110,490
Sakuma Exports Tanzania Pvt Limited	237	TZS 237,000,000	103,237	101,621
			208,007	212,111

At the reporting date, the Company has paid the payment to Sakuma Exports Tanzania Pvt Limited for share application money amounting to US$ 1,500 (2019: US$ 1,500) (note 10).

b) Unconditional purchase obligations

Unrrecognised commitments that may give rise to a future outflow of cash. At the reporting date, unconditional purchase obligations, comprising the Company's commitment to purchasing from a supplier were as follows:

16,800 Metric Tonne of Indian white crystal sugar amounted to US$ Nil (2019: US$ 5,510,400)

79,500 Metric Tonne of Indian brown sugar amounted to US$ Nil (2019: US$ 25,805,700)

At the reporting date, the Company has paid advance of US$ Nil (2019: US$ 1,565,000) which is related to above purchase obligations (Note 12)

20. FINANCIAL RISK MANAGEMENT

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and 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 above-mentioned 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.

20. FINANCIAL RISK MANAGEMENT CONT'D...

Market risk

a) Credit risk

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

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

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

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

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

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30-90 days past due in making contractual payment.

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

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

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

20. FINANCIAL RISK MANAGEMENT CONT'D...

a) Credit risk cont'd...

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
III	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
31 March 2020						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	3,842,573	-	3,842,573
Due from a related company	13	I	12-month ECL	1,193,471	-	1,193,471
Other receivables	13	I	12-month ECL	1,684	-	1,684
					-	
31 March 2019						
Trade receivables	13	Note 1	Lifetime ECL (simplified)	4,231,293	-	4,231,293
Advance to trade suppliers	13	I	12-month ECL	1,565,000	-	1,565,000
Other receivables	13	I	12-month ECL	1,684	-	1,684
					-	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. The Company has not provided any lifetime expected credit losses ("ECL") for trade receivables as based on the Company's historical trend and forward looking analysis as ECL loss is not material.

20. FINANCIAL RISK MANAGEMENT CONT'D...

a) Credit risk cont'd...

The Company believes that all receivables are collectible based on historical payment behaviors and creditworthiness of customers.

	Trade receivables					
	Days past due					
	Not past due	0-30 days	31-60 days	61-90 days	Above 90 days	Total
31 March 2020	US$	US$	US$	US$	US$	US$
ECL rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	3,573,430	269,143	-	-	-	3,842,573
ECL	-	-	-	-	-	-
						3,842,573
31 March 2019	US$	US$	US$	US$	US$	US$
ECL rate	0%	0%	0%	0%	0%	0%
Estimated total gross carrying amount at default	1,870,618	2,152,675	-	-	208,000	4,231,293
ECL	-	-	-	-	-	-
						4,231,293

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure of credit risk

The Company has no significant concentration of credit risk other than those balances with one customer comprising 94% (2018: three parties comprising 93%) of trade receivables. The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposure.

Advance to supplier

The Company given advances to security the purchase contracts to a trade supplier amounted to US$ Nil (2019:US$ 1,565,000). The supplier has no history of default and nothing has come to management's attention that this supplier is in financial difficulties. No allowance for impairment is provided as the expected credit loss is assumed to be immaterial.

Cash and cash equivalents

Cash and cash equivalents are held with reputable financial institutions therefore, they are subject to immaterial credit loss.

20. FINANCIAL RISK MANAGEMENT CONT'D...

a) Credit risk cont'd...

Other receivables and due from a related company

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

b) Interest rate risk

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

At the reporting date, the Company has no interest-bearing financial instruments, hence, is not exposed to any movements in market interest rates.

c) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company operates and sells its products in its functional currency and hence its exposure to movements in foreign currencies exchange rate is insignificant.

d) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

20. FINANCIAL RISK MANAGEMENT CONT'D...

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.

		2020	
Financial assets	**Contractual amount/carrying amount**	**One year or less**	**Two to five years**
	US$	**US$**	**US$**
Trade receivables	3,842,573	3,842,573	-
Due from a related company	1,193,471	1,193,471	-
Other receivables	1,684	1,684	-
Cash and cash equivalents	1,191,064	1,191,064	-
Total undiscounted financial assets	6,228,792	6,228,792	-
Financial liabilities			
Trade payables	608,016	608,016	-
Other payables	134,895	134,895	-
Total undiscounted financial liabilities	742,911	742,911	-
Total net undiscounted financial assets	5,485,881	5,485,881	-

		2019	
Financial assets	**Contractual amount/carrying amount**	**One year or less**	**Two to five years**
	US$	**US$**	**US$**
Trade receivables	4,231,293	4,231,293	-
Other receivables	1,684	1,684	-
Cash and cash equivalents	143,322	143,322	-
Total undiscounted financial assets	4,376,299	4,376,299	-
Financial liabilities			
Trade payables	360,000	360,000	-
Due to a director	15,813	15,813	-
Other payables	94,715	94,715	-
Total undiscounted financial liabilities	470,528	470,528	-
Total net undiscounted financial assets	3,905,771	3,905,771	-

21. FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables (including amount due to a director and loan to a related company):

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

Trade receivables and trade payables:

The carrying amounts of these balances approximate their fair values as they are subject to normal trade credit terms.

22. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2020	2019
Financial assets measured at amortised cost	**US$**	**US$**
Trade and other receivables (note 13)	5,037,728	4,232,977
Cash and cash equivalents (note 12)	1,191,064	143,322
Total financial assets measured at amortised cost	**6,228,792**	**4,376,299**
Financial liabilities measured at amortised cost		
Trade and other payables (note 14)	742,911	470,528
Total financial liabilities measured at amortised cost	**742,911**	**470,528**

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

		Amount of transaction	
Nature of transaction	**Nature of Relationship**	**2020**	**2019**
		US$	**US$**
Sale of goods	Holding company	-	1,227,000
Loan/(Repayment) of loan to a related company	Group's fellow subsidiary	1,193,471	(2,000,000)

23. SIGNIFICANT RELATED PARTY TRANSACTIONS CONT'D...

Compensation of key management personnel

	2020 US$	2019 US$
Director's salary	42,896	57,442
Director's fee	-	8,000

24. EVENT AFTER REPORTING PERIOD

In light of the adverse impact on the Company's activities from the current Covid-19 pandemic, which is difficult to assess at this point with regard to its severity and duration, given that economic activity has largely been disturbed in most parts of the world and may remain weak in the near term, the Company will continue to monitor closely the situation and continue to improve its financial position and conserve liquidity to withstand the current economy. Refer to Note 2.1 for more information on the impact of the outbreak.

25. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company.

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SAKUMA EXPORTS PTE. LTD.
(Incorporated in the Republic of Singapore)

(This does not form part of audited financial statements)

DETAILED PROFIT OR LOSS STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 US$	2019 US$
Sale of goods	16,705,360	94,122,728
	16,705,360	**94,122,728**
Cost of sales		
Purchase of goods	16,289,274	92,582,184
Freight charges	43	525,031
Supervision charges	-	743
Cleaning charges	750	-
Total cost of sales	**16,290,067**	**93,107,958**
Gross profit	**415,293**	**1,014,770**
Other income		
Claim rewards –settlement	-	295,709
Washout charges	42,853	-
	42,853	**295,709**
Expenses		
Audit fees	10,252	10,781
Bad debts written off trade	145,965	-
Bank charges	4,684	313,500
Business promotion expenses	52	-
Commission and brokerage	12,391	11,048
Commission on sales	-	360,176
Courier charges	1,086	2,649
Depreciation	6,676	-
Director's fees	-	8,000
Exchange difference-non-trade	4,712	(4,612)
Electricity charges	439	944
Interest on lease liabilities	166	-
Insurance charges	20,348	-
Membership fees	-	316
Lease rental on copier	1,140	985
Legal expenses	21,261	51,375
Loss on pre discharge of lease liabilities	40	-
Office facility expenses	309	-
Professional fees	2,503	20,856
Rental	11,777	33,457
Salaries	149,323	103,535

DETAILED PROFIT OR LOSS STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D...)

	2020 US$	2019 US$
Skills development levy	557	-
Staff welfare	8,119	6,156
Stamp duty	-	179
Travelling expenses	-	3,479
Telephone expenses	1,285	1,352
Total expenses	**403,085**	**924,176**
Profit for the year	**55,061**	**386,303**