

**TANLA MOBILE ASIA PACIFIC PTE.LTD.**  
**(Incorporated in the Republic of Singapore)**  
**[Registration No. 200706791H]**

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

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Directors' Statement	2-3
Independent Auditor's Report	4-5
Statement of Financial Position	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-30

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**

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

---

The directors are pleased to present their statement to the member together with the audited financial statements of Tanla Mobile Asia Pacific Pte. Ltd. (the "Company") for the financial year ended 31 March 2023.

**1. Opinion of the directors**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the Company for the year then ended; 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.

**2. Directors**

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

Dasari Uday Kumar Reddy S/O D Krishna Reddy  
Vijayalakshmi Gopi

**3. Arrangements to enable directors to acquire shares and 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 object 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.

**4. Directors' interests in shares or debentures**

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the Act), the directors of the Company who held office at the end of the financial year had no interest in the shares or debentures of the Company or its related corporations, except as stated below:

	<u>Direct interest</u>		<u>Deemed Interest *</u>	
	<u>At the beginning of financial year or date of appointment if later</u>	<u>At the end of financial year</u>	<u>At the beginning of financial year or date of appointment if later</u>	<u>At the end of financial year</u>
<b>In immediate and ultimate holding company</b>				
<b>Ordinary shares of Rupee 1</b>				
<u>Tanla Platforms Limited (Formerly known as Tanla Solutions Limited)</u>				
Dasari Uday Kumar Reddy S/o D Krishna Reddy	29,239,225	29,239,225	21,088,127	21,088,127

\* held by spouse of director

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**DIRECTORS' STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**5. 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.

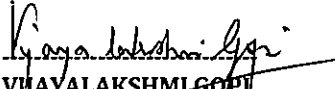
**6. Auditor**

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

The Board of Directors

**DASARI UDAY** Digitally signed by DASARI  
**KUMAR REDDY** UDAY KUMAR REDDY  
Date: 2023.04.26 12:24:48  
+05'30'

-----  
**DASARI UDAY KUMAR REDDY**  
Director

  
**VIJAYALAKSHMI GOPI**  
Director

Date: **26 APR 2023**



**MGI N RAJAN ASSOCIATES**  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS SINGAPORE

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

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TANLA MOBILE ASIA PACIFIC PTE. LTD.**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Tanla Mobile Asia Pacific Pte. Ltd., (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

*Basis for Opinion*

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

*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.

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.

10, JALAN BESAR #10-12, SIM LIM TOWER, SINGAPORE 208787.

TEL: (065) 6293 8089 / 6293 8370 / 6293 8047 / 6293 0732 FAX: (065) 6293 5756 Email: soma@nra.com.sg Web: www.nra.com.sg

4

G. Natarajan, P.S. Somasekharan, D. Govindaraj

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

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TANLA MOBILE ASIA PACIFIC PTE. LTD.  
(CONTINUED)**

**Report on the Audit of the Financial Statements (Continued)**

*Responsibilities of Management and Directors for the Financial Statements (Continued)*

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.

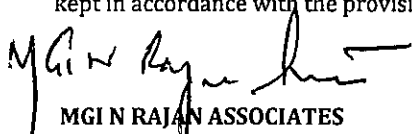
As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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: April 26, 2023

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

<b>ASSETS</b>	<b>NOTE</b>	<b>2023</b>	<b>2022</b>
		<b>US\$</b>	<b>US\$</b>
<b>Current assets</b>			
Cash and cash equivalents	4	14,831,024	31,036,802
Trade and other receivables	5	26,347,563	34,995,982
		<u>41,178,587</u>	<u>66,032,784</u>
<b>Non-current assets</b>			
Plant and equipment	6	-	-
Investments in subsidiary	7	13,610	13,610
		<u>13,610</u>	<u>13,610</u>
<b>Total assets</b>		<u>41,192,197</u>	<u>66,046,394</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	8	24,232,258	35,150,694
Provision for taxation	12	235,233	2,268,234
<b>Total liabilities</b>		<u>24,467,491</u>	<u>37,418,928</u>
<b>Equity</b>			
Share capital	9	555,063	555,063
Retained earnings		16,169,643	28,072,403
		<u>16,724,706</u>	<u>28,627,466</u>
<b>Equity attributable to owners of the Company</b>		<u>16,724,706</u>	<u>28,627,466</u>
<b>Total liabilities and equity</b>		<u>41,192,197</u>	<u>66,046,394</u>

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

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

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

	NOTE	2023 US\$	2022 US\$
Revenue	10a	95,613,934	119,098,135
Direct costs		<u>(93,163,932)</u>	<u>(102,054,258)</u>
<b>Gross profit</b>		<b>2,450,002</b>	<b>17,043,877</b>
Other income	10b	36,542	77,273
Administrative and other expenses		<u>(1,311,478)</u>	<u>(1,259,534)</u>
<b>Profit before tax</b>	11	<b>1,175,066</b>	<b>15,861,616</b>
Tax expense	12	(219,819)	(2,268,234)
<b>Profit for the year, representing total comprehensive income</b>		<u><b>955,247</b></u>	<u><b>13,593,382</b></u>

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

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>Balance as at 01.04.2021</b>	<b>555,063</b>	<b>16,344,975</b>	<b>16,900,038</b>
Profit for the year, representing total comprehensive income for the year	-	13,593,382	13,593,382
Dividend paid during the year (Note 19)	-	(1,865,954)	(1,865,954)
<b>Balance as at 31.03.2022</b>	<b>555,063</b>	<b>28,072,403</b>	<b>28,627,466</b>
Profit for the year, representing total comprehensive income for the year	-	955,247	955,247
Dividend paid during the year (Note 19)	-	(12,858,007)	(12,858,007)
<b>Balance as at 31.03.2023</b>	<b>555,063</b>	<b>16,169,643</b>	<b>16,724,706</b>

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



**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	NOTE	2023 US\$	2022 US\$
<b>Cash flows from operating activities</b>			
Profit before tax		1,175,066	15,861,616
Adjustments for:			
Provision for expected losses		-	(91,034)
Depreciation expense		-	568,330
Interest income		(536)	(5,273)
<b>Operating cash flows before working capital changes</b>		<b>1,174,530</b>	<b>16,333,639</b>
<b>Changes in working capital:</b>			
Decrease/ (increase) in trade and other receivables		8,648,419	(19,217,576)
(Decrease)/increase in trade and other payables		(10,918,436)	8,389,908
<b>Cash (used)/generated from operating activities</b>		<b>(1,095,487)</b>	<b>5,505,971</b>
Tax paid-local		(2,232,762)	-
Foreign tax paid		(20,058)	-
<b>Net cash generated from operating activities</b>		<b>(3,348,307)</b>	<b>5,505,971</b>
<b>Cash flows from investing activities:</b>			
Investment in subsidiary		-	(13,610)
Interest received		536	5,273
(Increase) in fixed deposits		(536)	(5,271)
<b>Net cash flows (used in) investing activities</b>		<b>-</b>	<b>(13,608)</b>
<b>Cash flows from financing activities:</b>			
Dividend paid		(12,858,007)	(1,865,954)
<b>Net cash flows (used in) financing activities</b>		<b>(12,858,007)</b>	<b>(1,865,954)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			
		<b>(16,206,314)</b>	<b>3,626,409</b>
Cash and cash equivalents at beginning of financial year		30,675,654	27,049,245
<b>Cash and cash equivalents at end of financial year</b>	<b>4</b>	<b>14,469,340</b>	<b>30,675,654</b>

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

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

---

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

**1. GENERAL**

Tanla Mobile Asia Pacific Pte Ltd (the "Company") is incorporated and domiciled in Singapore with its registered office and principal place of business at 10, Jalan Besar, # 10 – 12, Singapore 208787.

The principal activities of the Company during the financial year are those of provision and development of mobile application solutions, mobile commerce, interactive services and platforms for the mobile telecoms, media and digital communications sector.

The immediate and ultimate holding company is Tanla Platforms Limited, which is incorporated in India.

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

**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 under 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.

**2.2 Adoption of new and revised standards**

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
FRS 117 Insurance Contracts	1 January 2023

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.3 Standards issued but not yet effective (Continued)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 116 Leases: Lease Liability in a Sale and Leaseback	01 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants	01 January 2024
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

**2.4 Foreign currency transactions and balances**

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

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

**2.5 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, 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 property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, 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:

	<u><b>Useful lives</b></u>
Computer hardware	6 years
Computer software	1-3 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 residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**2.5 Property, plant and equipment**

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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

**2.6 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, where applicable, when an annual impairment testing for an asset is required) the Company makes an estimate of the asset's recoverable amount.

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

Impairment losses are recognised in profit or loss.

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

**2.7 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**

*Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, 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 (CONTINUED)**

**2.7 Financial instruments (Continued)**

**a) Financial assets (Continued)**

**Subsequent measurement (Continued)**

*Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

**De-recognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments 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 FVPL, directly attributable transaction costs.

**Subsequent measurement**

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

**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.

**2.8 Impairment of financial assets**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.8 Impairment of financial assets (Continued)**

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

**2.9 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value. These also include demand deposits that form an integral part of the Company's cash management.

**2.10 Provisions**

**a) General**

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 Employee benefits**

**a) Defined contribution plans**

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.11 Employee benefits (Continued)**

**b) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**2.12 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) Rendering of services**

The Company offers a one stop messaging solution and voice services to enterprises and aggregators to ensure that the messages are delivered to end customers.

Revenue is recognised when the messages and voice services are delivered.

**b) Interest income**

Interest income is recognised using the effective interest method.

**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 end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.13 Taxes (Continued)**

**b) Deferred tax (Continued)**

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) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**2.14 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.

**2.15 Related parties**

A party is considered to be related to the Company if:-

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

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly 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.



**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.16 Subsidiary**

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and as the ability to affect those returns through its power over the investee.

Investments in the subsidiary corporations 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.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS 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 Judgments 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.

**a) Provision for expected credit losses of trade receivables and contract assets**

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. 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.

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**

**3.2 Key sources of estimation uncertainty (Continued)**

**a) Provision for expected credit losses of trade receivables and contract assets (Continued)**

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 15a.

The carrying amount of the Company's trade receivables and contract assets as at 31 March 2023 was US\$18,025,353 and US\$7,714,121 respectively (31 March 2022: US\$26,512,561 and US\$ 7,732,580).

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following accounts:

	2023	2022
	US\$	US\$
Cash at bank	14,469,340	30,675,654
Fixed deposits*	361,684	361,148
	<u>14,831,024</u>	<u>31,036,802</u>

\* These are under lien to the bank for credit facilities availed for the Company.

For the purposes of statement of cash flows, the cash and cash equivalents comprise the following

	2023	2022
	US\$	US\$
Cash and bank balances	14,831,024	31,036,802
Less : Fixed deposits under lien *	( 361,684)	(361,148)
	<u>14,469,340</u>	<u>30,675,654</u>

The significant foreign currencies which the cash and cash equivalents are denominated in at 31 March 2023 and 2022 are as follows:

	2023	2022
	US\$	US\$
In Euro	7,785,256	11,073,593
In Sterling	33,579	45,795
In USD	6,781,372	19,037,284
In SGD	230,817	880,130
	<u>14,831,024</u>	<u>31,036,802</u>

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**5. TRADE AND OTHER RECEIVABLES**

	2023	2022
	US\$	US\$
Trade receivables – third parties	11,849,400	10,097,587
Trade receivables – holding company	-	1,304,242
Trade receivables – related parties	6,236,673	15,171,452
	<b>18,086,073</b>	<b>26,573,281</b>
Less: Provision for expected credit losses	(60,720)	(60,720)
<b>Net trade receivables</b>	<b>18,025,353</b>	<b>26,512,561</b>
Contract assets- third parties	7,458,395	6,801,909
Contract assets- holding company	-	69,966
Contract assets- related parties	255,726	860,705
<b>Total contract assets</b>	<b>7,714,121</b>	<b>7,732,580</b>
Other receivable- holding company	608,089	608,089
Other receivable- subsidiary*	-	142,793
Other receivables-third party	-	(41)
<b>Total other receivables</b>	<b>608,089</b>	<b>750,841</b>
<b>Total trade and other receivables</b>	<b>26,347,563</b>	<b>34,995,982</b>

\*This represents incorporation and other expenses paid on behalf of the subsidiary.

Trade receivables are non-interest bearing and are generally on 10-60 days' terms (2022: 30-90 days' terms).

The amounts due from holding company, related parties are unsecured, interest-free and repayable on demand.

**Expected credit losses**

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2023	2022
	US\$	US\$
At 1 April	60,720	151,754
Provision for expected credit losses	-	-
Write back of provision for expected credit losses	-	(91,034)
<b>At 31 March</b>	<b>60,720</b>	<b>60,720</b>

Information regarding trade receivables that are past due is disclosed in Note 15a.

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**5. TRADE AND OTHER RECEIVABLES (CONTINUED)**

Trade and other receivables are denominated in the following currencies:

	2023	2022
	US\$	US\$
United States dollars	21,436,699	29,372,914
GBP	21,068	25,935
SGD	29,814	31,863
Euro	4,251,893	4,957,181
AED	608,089	608,089
	<b>26,347,563</b>	<b>34,995,982</b>

**6. PLANT AND EQUIPMENT**

2023	Computer hardware	Computer software	Total
Cost	US\$	US\$	US\$
At 1.4.2022	113,198	6,095,995	6,209,193
Additions	-	-	-
At 31.3.2023	113,198	6,095,995	6,209,193
<b>Accumulated depreciation</b>			
At 1.4.2022	113,197	5,527,666	5,640,863
Charge for the year	1	568,329	568,330
At 31.3.2023	113,198	6,095,995	6,209,193
<b>Net carrying value as at 31.03.2023</b>	-	-	-
2022	Computer hardware	Computer software	Total
Cost	US\$	US\$	US\$
At 1.4.2021	113,198	6,095,995	6,209,193
Additions	-	-	-
At 31.3.2022	113,198	6,095,995	6,209,193
<b>Accumulated depreciation</b>			
At 1.4.2021	113,197	5,527,666	5,640,863
Charge for the year	1	568,329	568,330
At 31.3.2022	113,198	6,095,995	6,209,193
<b>Net carrying value as at 31.03.2022</b>	-	-	-

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**7. INVESTMENT IN SUBSIDIARY**

	2023	2022
	US\$	US\$
Unquoted equity shares at cost	13,610	13,610
	<b>13,610</b>	<b>13,610</b>

Details of investment of unquoted equity shares in subsidiary at cost are as follows

Subsidiary name and address	Country of incorporation	Principal activities	Cost of investment US\$	% of holdings
Tanla Digital Labs FZ LLC	Dubai	Software services	13,610	100%
			<b>13,610</b>	

**8. TRADE AND OTHER PAYABLES**

	2023	2022
	US\$	US\$
<b>Trade payables:</b>		
Third parties	9,169,708	28,988,458
Related parties	5,096,256	-
Subsidiary	2,610,579	-
Unbilled COS- Third parties	3,935,398	6,081,459
Unbilled COS- Related parties	252,417	-
Unbilled COS- Subsidiary	3,037,625	-
Advance for SMS services	76,261	-
GST payable	2,572	38,935
	<b>24,180,816</b>	<b>35,108,852</b>
<b>Other payables: Accrued expenses</b>	<b>51,442</b>	<b>41,842</b>
	<b>24,232,258</b>	<b>35,150,694</b>

\*Amounts due to ultimate holding company is non-trade, unsecured, interest-free and are repayable on demand. Related parties and third parties trade payables are normally settled on 45 days -90 days terms.

Trade and other payables are denominated in the following currencies:

	2023	2022
	US\$	US\$
Euro	2,106,828	2,568,429
Singapore Dollar	61,445	85,776
United States Dollar	22,022,020	31,940,596
AED	41,354	89,601
ZAR	256	294
Sterling Pound	355	465,998
	<b>24,232,258</b>	<b>35,150,694</b>

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**9. SHARE CAPITAL**

2023 & 2022	Ordinary share capital		Total
	No of shares	Amount (US\$)	
Issued and fully paid up:			
Beginning of the financial year	750,001	555,063	555,063
Issued during the year	-	-	-
<b>End of the financial year</b>	<b>750,001</b>	<b>555,063</b>	<b>555,063</b>

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company without restrictions. The ordinary shares have no par value. The share capital of the Company is denominated in Singapore dollars and was converted to United States dollars at the historical date.

**10a. REVENUE**

**Disaggregation of revenue**

Type of service	2023	2022
	US\$	US\$
Bulk SMS	95,613,934	119,098,135
Aggregate premium SMS service- point in time	<b>95,613,934</b>	<b>119,098,135</b>

**10b. OTHER INCOME**

	2023	2022
	US\$	US\$
Colocation charges	36,006	72,000
Interest on FD	536	5,273
	<b>36,542</b>	<b>77,273</b>

**11. PROFIT BEFORE TAX**

Profit before tax has been arrived at after charging/ (crediting):

	2023	2022
	US\$	US\$
Depreciation	-	568,330
Director's fees	4,273	4,273
Exchange loss	1,137,669	567,884
Provision for expected losses	-	(91,034)
Hosting	66,924	72,501

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**12. TAXATION**

The major components of income tax expense recognized in profit or loss for the years ended 31 March 2023 and 2022 were:

	2023 US\$	2022 US\$
Current year's income tax recognised in profit or loss	199,761	2,268,234
Foreign tax paid	20,058	-
Income tax expense recognised in profit or loss	<u>219,819</u>	<u>2,268,234</u>

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 loss as a result of the following differences:

	2023 US\$	2022 US\$
Profit before tax	<u>1,175,066</u>	<u>15,861,616</u>
Tax at statutory rate of 17%	199,761	15,861,616
Tax on non-taxable income	(66,350)	-
Deferred tax asset not utilized/ (utilized)	-	(428,241)
Foreign tax paid	20,058	-
Partial exemption	(13,131)	-
Others	79,481	-
Income tax recognized in profit or loss	<u>219,819</u>	<u>2,268,234</u>

**MOVEMENT IN PROVISION FOR TAXATION ACCOUNT**

	2023 US\$	2022 US\$
Balance at the beginning of the year	2,268,234	-
Current year's provision	199,761	2,268,234
Tax paid	(2,232,762)	-
Balance at the end of the year	<u>235,233</u>	<u>2,268,234</u>

**13. SIGNIFICANT RELATED PARTY TRANSACTIONS**

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

	2023 US\$	2022 US\$
Colocation charges received from holding company	36,006	72,000
Sales to holding company	251,740	141,967
Sales to subsidiary company	566,823	5,865,713
Sales to related companies	21,756,115	10,014,552
Purchases and support service charges from subsidiary company	43,315,433	6,396,844
Purchases from holding company	-	437,946
Purchases from related company	3,227,541	1,940,953

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**14. FAIR VALUE OF ASSETS AND LIABILITIES**

**Assets and liabilities not measured at fair value**

*Cash and cash equivalents and other payables*

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

*Trade receivables and trade payables*

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

**15. 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.

**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 and loan to the holding company. For other financial assets (including investment securities and 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.

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

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



**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**a) Credit risk (Continued)**

- 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 past due beyond the credit period and based on the history of the payments received 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 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

<b>Category</b>	<b>Definition of category</b>	<b>Basis for recognising expected credit loss (ECL)</b>
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL –not credit-impaired
III	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL –credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**a) Credit risk (Continued)**

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount US\$	Loss allowance US\$	Net carrying amount US\$
<b>31 March 2023</b>						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	18,086,073	(60,720)	18,025,353
Contract assets	5	Note 1	Lifetime ECL (simplified)	7,714,121	-	7,714,121
Other receivables	5	1	12-month ECL	608,089	-	608,089
				<b>26,408,283</b>	<b>(60,720)</b>	<b>26,347,563</b>
<b>31 March 2022</b>						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	26,573,281	(60,720)	26,512,561
Contract assets	5	Note 1	Lifetime ECL (simplified)	7,732,580	-	7,732,580
Other receivables	5	1	12-month ECL	750,841	-	750,841
				<b>35,056,702</b>	<b>(60,720)</b>	<b>34,995,982</b>

**Trade receivables (Note1)**

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. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Current US\$	Trade Receivables Days past due						Total US\$
		< 30 days US\$	31-60 days US\$	60- 90 days US\$	90-180 days US\$	181-365 days US\$	>365 days US\$	
31 March 2023								
Estimated total gross carrying amount at default	9,014,474	1,437,409	1,621,647	673,536	1,911,800	1,501,933	1,925,274	18,086,073
ECL	-	-	-	-	-	-	-	(60,720)
								<b>18,025,353</b>
<b>31 March 2022</b>								
Estimated total gross carrying amount at default	8,415,025	9,769,630	2,278,185	67,514	263,602	1,513,428	4,265,897	26,573,281
ECL	-	-	-	-	-	-	-	(60,720)
								<b>26,512,561</b>

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**a) Credit risk (Continued)**

For contract assets of US\$ 7,714,121 (2022: US\$7,732,580) ECL rate was estimated as insignificant, hence no ECL allowance was recognised.

Information regarding loss allowance movement of trade receivables is disclosed in Note no.5.

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 to credit risk

The Company has no significant concentration of credit risk other than those balances with Holding Company / related party (2022: 3) comprising US\$6,487,172 (2022: US\$18,157,247) and third parties (2022:3) comprising NIL (2022: US\$16,899,462) of trade receivables. The Company has credit trade policies and procedures in place to minimise and mitigate its credit risks exposure.

**b) Liquidity risk**

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

Analysis of financial instruments by remaining contractual maturities:

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

	2023			
	Carrying amount US\$	Contractual amount US\$	One year or less US\$	One to five years US\$
<b><u>Financial liabilities</u></b>				
Trade and other payables	24,153,425	24,153,425	24,153,425	-
	<b>24,153,425</b>	<b>24,153,425</b>	<b>24,153,425</b>	<b>-</b>
	2022			
	Carrying amount US\$	Contractual amount US\$	One year or less US\$	One to five years US\$
<b><u>Financial liabilities</u></b>				
Trade and other payables	35,111,759	35,111,759	35,111,759	-
	<b>35,111,759</b>	<b>35,111,759</b>	<b>35,111,759</b>	<b>-</b>

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**c) Market risk**

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

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from cash and cash equivalents.

The Company does not have any loans or debt obligations which are affected by changes in interest rates. The Company has sufficient liquidity and adopts a conservative approach in interest risk management by avoiding interest bearing borrowings and relying on its own financial liquidity and non-interest bearing creditors.

**ii) Foreign currency risk**

The Company's foreign currency exchange risk arises mainly from Sterling Pounds, AED, Euro and Singapore dollars denominated sales and purchases. The Company currently does not have a formal hedging policy although they may, subject to the approval of the Board of Directors, enter into relevant transactions when necessary to hedge their exposure to foreign currency fluctuations. The Company may also put in place, where necessary, procedures to hedge its exposures to foreign currency fluctuations, subject to compliance with the applicable laws and regulations in Singapore. Such procedures will be reviewed and approved by the Board of Directors.

	2023				2022			
	Sterling Pounds	Euro	AED	Singapore dollar	Sterling Pounds	Euro	AED	Singapore dollar
<b>Financial assets</b>								
Trade and other receivables	21,068	4,251,893	608,089	29,814	25,935	4,957,181	608,089	31,863
Cash and cash equivalents	33,579	7,785,256	-	230,817	45,795	11,073,593	-	880,130
	<b>54,647</b>	<b>12,037,149</b>	<b>608,089</b>	<b>260,631</b>	<b>71,730</b>	<b>16,030,774</b>	<b>608,089</b>	<b>911,993</b>
<b>Financial liabilities</b>								
Trade and other payables	(355)	(2,106,828)	(41,354)	(61,445)	(465,998)	(2,568,429)	(89,601)	(4,999)
	<b>(355)</b>	<b>(2,106,828)</b>	<b>(41,354)</b>	<b>(61,445)</b>	<b>(465,998)</b>	<b>(2,568,429)</b>	<b>(89,601)</b>	<b>(4,999)</b>
<b>Currency exposures</b>	<b>54,292</b>	<b>9,930,321</b>	<b>566,735</b>	<b>199,186</b>	<b>(394,268)</b>	<b>13,462,345</b>	<b>518,488</b>	<b>906,994</b>

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

**15. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**ii) Foreign currency risk (Continued)**

**Sensitivity analysis for foreign currency risk**

The Company is mainly exposed to Sterling Pounds, Euro, AED and Singapore dollar. A 10% strengthening / weakening of foreign currencies against the functional currencies at the reporting date would increase / (decrease) profit after income tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
<b>Sterling Pound</b>		
Strengthens against United States Dollar	4,506	(32,724)
Weakens against United States Dollar	(4,506)	32,724
<b>Euro</b>		
Strengthens against United States Dollar	824,217	1,117,375
Weakens against United States Dollar	(824,217)	(1,117,375)
<b>AED</b>		
Strengthens against United States Dollar	47,039	43,035
Weakens against United States Dollar	(47,039)	(43,035)
<b>Singapore dollars</b>		
Strengthens against United States Dollar	16,532	75,281
Weakens against United States Dollar	(16,532)	(75,281)

**16. FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
<b>Financial assets measured at amortised cost</b>		
Trade and other receivables	26,347,563	34,995,982
Cash and cash equivalents	14,831,024	31,036,802
<b>Total financial assets measured at amortized cost</b>	<b>41,178,587</b>	<b>66,032,784</b>
<b>Financial liabilities measured at amortized cost</b>		
Trade and other payables	24,153,425	35,111,759
<b>Total financial liabilities measured at amortized cost</b>	<b>24,153,425</b>	<b>35,111,759</b>

**17. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

There has been no change in capital risk management policy since last year. The board of directors monitors its capital based on net debt and total capital. Net debt calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt. The management monitors capital management based on gearing ratio. Gearing ratio is calculated as net debt divided by total capital.

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 (CONTINUED)**

---

**17. CAPITAL MANAGEMENT (CONTINUED)**

The Company is not subject to any externally imposed capital requirements.

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
Net debt	9,401,234	4,113,892
Total equity	16,724,706	28,627,466
Total capital	<u>26,125,940</u>	<u>32,741,358</u>
Gearing ratio	<u>35.98%</u>	<u>12.57%</u>

**18. CONTINGENT LIABILITIES**

As at Statement of Financial Position date, the Company has bank guarantees issued in favour of third parties as follows: -

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
Performance guarantee - secured	<u>361,684</u>	<u>361,148</u>

**19. DIVIDEND**

The Company paid an interim exempt (one-tier) dividend of US\$17.14 per share totalling to US\$12,858,007 (2022: US\$ 1,865,954) for the current year on total shares outstanding on that date. The dividend paid has been accounted for in the shareholders' funds as an appropriation of "accumulated profits" in the current financial year.

**20. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

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

\*\*\*\*\*

**TANLA MOBILE ASIA PACIFIC PTE. LTD.**  
*(Incorporated in the Republic of Singapore)*

*(This does not form part of audited financial statements)*

**DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	2023 US\$	2022 US\$
Revenue - Rendering of services- Bulk SMS	95,613,934	119,098,135
<b>Total revenue</b>	<b>95,613,934</b>	<b>119,098,135</b>
<b>Direct cost</b>		
Bulk SMS	89,145,420	102,054,258
Support services	4,018,512	-
<b>Total direct cost</b>	<b>93,163,932</b>	<b>102,054,258</b>
<b>Gross profit</b>	<b>2,450,002</b>	<b>17,043,877</b>
Other income	36,006	72,000
Interest on FD	536	5,273
	<b>36,542</b>	<b>77,273</b>
<b>Expenses:</b>		
Audit fee	21,365	21,365
Bank charges	56,760	97,477
Depreciation	-	568,330
Directors fees	4,273	4,273
Exchange loss	1,137,669	567,884
Hosting	66,924	72,501
Postage	356	719
Professional fees	12,203	12,562
Provision for expected credit losses		(91,034)
Membership & subscriptions	-	382
Computer maintenance	11,928	5,075
<b>Total expenses</b>	<b>1,311,478</b>	<b>1,259,534</b>
<b>Profit for the year before tax</b>	<b>1,175,066</b>	<b>15,861,616</b>