

Greenlam Decolan SA

(Co. Registration No. CHE-331.259.162)

(Incorporated in Switzerland)

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

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

C O N T E N T S

	<u>Page</u>
Directors' Statement	1 - 2
Independent Auditor's Report	3 - 4
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 24

DIRECTORS' STATEMENT

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31st March 2023.

We, the directors of **Greenlam Decolan SA.**, hereby state that:

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto as set out on pages 5 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2023 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended;
- (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; and
- (c) management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the provision of the Companies Act and International Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

DIRECTORS

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

Mr. Vaibhav Sharma
Mr. Giovanni Iurza

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 object was 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, other than as disclosed under "Share options" in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

<u>(No. of ordinary shares)</u>	<u>Holdings registered in name of director or nominee</u>		<u>Holdings in which director is deemed to have an interest</u>	
	<u>At 31st March 2023</u>	<u>At 31st March 2022</u>	<u>At 31st March 2023</u>	<u>At 31st March 2022</u>
<u>Company</u>				
Mr. Vaibhav Sharma	-	-	-	-
Mr. Giovanni Iurza	-	-	-	-
<u>Directors having interest in immediate and ultimate holding company</u>				
Mr. Vaibhav Sharma	-	-	-	-
Mr. Giovanni Iurza	-	-	-	-

DIRECTORS' STATEMENT (CONT'D)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

The immediate holding company of the Company is Greenlam Asia Pacific Pte Ltd., a Company incorporated in the Republic of Singapore.

Except as disclosed in this report, no director who held office at the end of financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

- (b) The directors' interest in the ordinary shares of the Company as at 24th April 2023 were the same as those as at 31st March 2023.

SHARE OPTIONS

No options were granted during the financial year to subscribe for unissued shares of the Company.


No shares were 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.

INDEPENDENT AUDITORS

The Independent auditors, CAPIFID SA, Licensed Audit Expert of Switzerland, have expressed their willingness to accept re-appointment.

On behalf of the Board


.....
Mr. Giovanni Iurza
Director

Place : Chiasso, Switzerland

Date: 24th April 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GREENLAM DECOLAN SA
(CO. REGISTRATION NO. CHE-331.259.162)
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

Our Opinion

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

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at 31st March 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the regulatory code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 IFRSs, 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Responsibilities of Management and Directors for the Financial Statements (Cont'd)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, 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

The Impact of uncertainties due to the outbreak of COVID-19 on our Audit

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the company's financial statements. Our audit assesses and challenge the reasonableness of estimates made by the director such as expected credit losses, impairment of assets, impact of revenue and related disclosures and appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessment of the future economic environment and the company's future prospects and performance. The outbreak of the virus is one of the most significant economic events for all locations where the Company operates, and at the date of this report its effect is subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardized firm-wide approach in response to that uncertainty when approaching the Company's future prospects and performance. However, our audit should not be expected to predict the unknown factors and/or all possible future implications for the Company and in particular in relation to COVID-19. As such, these financial statements do not include any adjustment that might result from the outcome of the uncertainty caused due to COVID-19.

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.



.....
Giedre Montagnani

CAPIFID SA
 Licensed Audit Expert

Place : Chiasso, Switzerland
 Date : 24th April 2023

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2023

	<u>Note</u>	<u>2022-23</u> <u>CHF</u>	<u>2021-22</u> <u>CHF</u>
ASSETS			
Non-current assets			
Property, plant and equipment	5	20,823	27,292
Right-of-use asset	6	37,272	86,976
Current assets			
Inventories	7	3,484,305	3,413,027
Trade and other receivables	9	1,542,254	1,788,944
Contract asset	11	-	-
Cash and cash equivalents	8	200,422	207,048
		5,226,981	5,409,019
		5,285,076	5,523,287
Total assets			
LIABILITIES			
Current liabilities			
Lease liability	6	40,274	51,640
Trade and other payables	10	4,643,463	4,891,996
Contract liability	11	-	-
Swiss Covid Loan	12	83,400	-
Provision for taxation	19	100,354	49,739
		4,867,491	4,993,375
Non-current liabilities			
Lease liability	6	-	40,274
Swiss Covid Loan		333,200	500,000
Deferred tax liability	20	-	-
		333,200	540,274
		5,200,691	5,533,649
Total Liabilities			
NET ASSETS			
		84,385	(10,362)
EQUITY			
<i>Capital and reserves attributable to equity holders of the Company</i>			
Share Capital	4	300,000	300,000
Accumulated profits		(215,615)	(310,362)
TOTAL EQUITY		84,385	(10,362)

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2023**

	<u>Note</u>	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Sales	13	16,630,267	13,813,225
Cost of sales	14	14,168,331	11,950,798
Gross profit		2,461,936	1,862,427
Other income	15	91,755	152,066
		2,553,691	2,014,493
Less :			
- Depreciation	5/6	69,805	68,322
- Employee benefit expenses	18	1,618,365	1,165,438
- Administrative & Other operating expenses	16	599,807	633,834
		2,287,977	1,867,594
Profit from operations		265,714	146,899
Less : Finance costs	17	3,291	5,144
Profit before tax		262,423	141,755
Income tax (expense)	19	167,676	49,739
Deferred tax	20	-	-
Profit after tax		94,747	92,016
Profit / (loss) from discontinued operations			
Total Income		94,747	92,016
<u>Other comprehensive income:</u>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Other comprehensive income, net of tax		-	-
Total Comprehensive income		94,747	92,016

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

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

	Attributable to equity holders of the Company		
	<u>Share Capital</u> CHF	<u>Accumulated Profit</u> CHF	<u>Total Equity</u> CHF
Balance as at 31 st March 2021	300,000	(402,378)	(102,378)
Dividend paid during the year	-	-	-
Total comprehensive income		92,016	92,016
Balance as at 31 st March 2022	300,000	(310,362)	(10,362)
Dividend paid during the year	-		
Total comprehensive income		94,747	94,747
Balance as at 31st March 2023	300,000	(215,615)	84,385

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

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

	Note	2022-23 CHF	2021-22 CHF
<i><u>Cash flows from operating activities</u></i>			
Profit before tax		262,423	141,755
Adjustments for:			
- Depreciation	5	20,101	18,618
- Depreciation – ROU	6	49,704	49,704
- Interest	17	3,291	5,144
		335,519	215,221
Change in working capital:			
- Inventories	7	(71,278)	(407,662)
- Trade and other receivables	9	246,690	193,815
- Trade and other payables	10	(248,533)	(45,086)
		(73,121)	(258,933)
Cash generated from operations		262,398	
Income tax paid	19	(117,061)	-
Net cash generated from operating activities			
<i><u>Cash flows from investing activities</u></i>			
Additions to property, plant and equipment	5	(13,632)	(24,962)
Disposal of fixed assets	5	-	-
Net cash (used in) investing activities		(13,632)	(24,962)
		131,705	(68,674)
<i><u>Cash flows from financing activities</u></i>			
Repayment of Long term Borrowing – Swiss Loan	12	(83,400)	-
Repayment of Lease Liability	6	(51,640)	(49,372)
Payment of Interest	17	(3,291)	(5,144)
Net cash (used in) financing activities		(138,331)	(54,516)
Net increase in cash and cash equivalents		(6,626)	(123,190)
Cash and cash equivalents at beginning of the financial year		207,048	330,238
Cash and cash equivalents at end of the financial year	8	200,422	207,048

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

1. General information

Greenlam Decolan SA (the “Company”) is a company incorporated and domiciled in Switzerland. The registered office and principal place of business is situated at **Chiasso, Switzerland**.

The principal activities of the Company are relating to the business of Import – Export and Trading of High Pressure Laminates and related products. There have been no significant changes in the nature of these activities during the financial year.

The immediate holding company of the Company is Greenlam Asia Pacific Pte Ltd, a Company incorporated in Singapore

2. Significant Accounting Policies

2.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in FY 2022-23

On 1st April 2022, the Company adopted the new or amended IFRS and Interpretations of IFRS (“INT IFRS”) that are mandatory for application for the financial year. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS.

The following are the new or amended Standards and Interpretations that are not yet applicable, but may be early adopted for the current financial year.

1 January 2022 Amendments to:

- IFRS 3 Business Combinations (Reference to the Conceptual Framework)
- IFRS 16 Property, Plant and Equipment (Proceeds before Intended Use)
- IFRS 37 Provisions, Contingent Liabilities and Contingent Assets
(Onerous Contracts – Cost of Fulfilling a Contract)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.2 Leases

(i) When the Company is the lessee:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

• Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets. These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within ‘Property, plant and equipment’ or as a separate line item on the statement of financial position. Right-of-use asset which meets the definition of an investment property is presented within ‘Investment properties’ and accounted for accordingly.

2. Significant Accounting Policies (cont'd)

2.2 Leases (cont'd)

(i) *When the Company is the lessee (cont'd):*

• Lease liability

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Company's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

• Short term and low value leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

• Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

2.3 Revenue recognition

Sales are recognised when control of the goods has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a contract liability. A receivable (financial asset) 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 payment is due.

2. Significant Accounting Policies (cont'd)

2.4 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.5 Property, plant and equipment

a) Measurement

(i) Plant and equipment

Plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

The cost of an item of plant and equipment initially recognized includes its purchase price and any cost that is 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. Cost also includes borrowing costs that are directly attributable to the acquisition.

(b) Depreciation

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Motor Vehicles	2.5 years	Computers	2.5 year
Furniture and fittings	4 years	Office equipment	3.33 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognized in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss within "Other gains/losses – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2.6 Financial assets

(a) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

2. Significant Accounting Policies (cont'd)

2.6 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

Amortised cost:

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

FVOCI:

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Company has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach permitted by the IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2. Significant Accounting Policies (cont'd)

2.6 Financial assets (cont'd)

(c) Recognition & Derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss. On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset. Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(d) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.7 Financial guarantees

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of IFRS 15; and
- (b) the amount of expected loss computed using the impairment methodology under IFRS 9.

2.8 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method. Financial liabilities represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are represented as non-current liabilities. Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharges or cancelled or expired.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities. Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

2.10 Impairment of non- financial assets

Property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

2. Significant Accounting Policies (cont'd)

2.10 Impairment of non- financial assets (Cont'd)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset other than goodwill is reversed if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.11 Inventories

Inventories are carried at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average cost method. However, goods-in-transit due to its very nature is presented at cost. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

At the end of each year Company identifies old and slow-moving inventories and makes provision for the same in the Income Statement. The amount of any reversal of any allowance made previously for write-down of inventories, arising from subsequent sales of such items to the extent of quantities sold is recognised as revenue in the income statement. The Company will keep the provision in the Accounts in Statement of Financial Position until such time the inventories are fully written off.

2.12 Income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date; and
- (b) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition. The Company accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2. Significant Accounting Policies (cont'd)

2.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, which is probable of resulting in a future outflow of economic benefits that can be measured reliably.

2.14 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.15 Employee Compensation

Employee benefits are recognized as an expense, unless the cost qualifies to be capitalized as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed at the earlier of the following dates: (a) when the Company is terminating the employment of current employees according to a detailed formal plan without possibility of withdrawing the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of IFRS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

2.16 Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Swiss Francs (CHF).

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the statement of financial position date are recognized in profit or loss.

2.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents

2. Significant Accounting Policies (cont'd)

2.18 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities. Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

2.19 Share capital & dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions & Key Sources of estimation uncertainty

(a) Uncertain tax positions

The Company is subject to income taxes in Tichino jurisdictions. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Company has open tax assessments with tax authority at the statement of financial position date. As management believes that the tax positions are sustainable, the Company has not recognized any additional tax liability on these uncertain tax positions.

(b) Provision for expected credit loss (ECL's) of trade receivables

Within each revenue segment, the Company has common customers across the different geographical regions and applies credit evaluations by customer. Accordingly, management has determined the expected loss rates by grouping the receivables across geographical regions in each revenue segment. Notwithstanding the above, the Company evaluates the expected credit loss on customers in financial difficulties separately.

(c) Critical judgement over the lease terms

Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the extension option.

The Company considers other factors including its historical lease periods for similar assets, costs required to obtain replacement assets, and business disruptions. The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

4. Share Capital

<u>As at 31st March 2023 & 31st March 2022</u>	<u>Issued Share Capital</u>	
	<u>No. of Ordinary shares</u>	<u>Amount CHF</u>
Beginning of the financial year	300	300,000
Shares issued	-	-
End of the financial year	<u>300</u>	<u>300,000</u>

All issued ordinary shares are fully paid. The registered shares has been issued with a nominal value of CHF 1000 each.

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

5. Property, Plant and equipment

	<u>Computers</u>	<u>Furniture & fittings</u>	<u>Motor vehicles</u>	<u>Office / warehouse equipment</u>	<u>Total</u>
<u>Cost</u>	CHF	CHF	CHF	CHF	CHF
Balance as at 31 st March 2022	8,550	32,157	9,115	28,686	78,508
Additions		2,890	380	10,362	13,632
Disposals / Assets Written off					
Balance as at 31 st March 2023	8,550	35,047	9,495	39,048	92,140
<u>Accumulated depreciation</u>					
Balance as at 31 st March 2022	5,676	21,272	4,343	19,925	51,216
Depreciation for the year	1,719	7,266	3,627	7,489	20,101
Disposals/ Assets Written off					
Balance as at 31 st March 2023	7,395	28,538	7,970	27,414	71,317
<u>Net book value</u>					
As at 31 March 2023	1,155	6,509	1,525	11,634	20,823
As at 31 March 2022	2,874	10,885	4,772	8,761	27,292

6. Right-of use assets / Lease liability

	<u>2022-23</u>	<u>2021-22</u>
	CHF	CHF
<u>Right-of-use assets</u>		
<u>(on adoption of IFRS 16)</u>		
RoU asset [Leasing]	86,976	136,680
Additions	-	-
Total RoU assets [at cost]	86,976	136,680
Less: Depreciation charge	(49,704)	(49,704)
	37,272	86,976

Right-of-use of assets acquired under leasing arrangements of the same class of assets are presented in line with IFRS 16.

	<u>2022-23</u>	<u>2021-22</u>
	CHF	CHF
<u>Lease liability</u>		
<u>(on adoption of IFRS 16)</u>		
Lease liability [Leasing]	91,914	141,286
Total Lease liability	91,914	141,286
Add: Interest expense	2,876	5,144
Less: Lease repayment	(54,516)	(54,516)
	40,274	91,914
<u>Represented by:</u>		
Current	40,274	51,640
Non-current	-	40,274
Total	40,274	91,914

7. Inventories

	<u>2022-23</u>	<u>2021-22</u>
	CHF	CHF
Stock in Hand - Finished goods	2,840,038	3,305,810
Stock in transit – Finished goods	644,267	107,217
Less: Provisions for slow moving inventories		
Balance as at beginning of the financial year		
Current year provision		
Stock written off		
Provisions reversed during the year [#]		
Balance as at end of the financial year	-	-
	3,484,305	3,413,027

The cost of inventories recognized as an expense and included in “cost of sales” amounts to CHF 14,168,331/- (refer note 14).

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

8. Cash and cash equivalents

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Cash in hand		
Cash at bank	614	117
	199,808	206,931
Cash and cash equivalents per statement of cash flows	200,422	207,048

The cash & cash equivalents approximate its fair value as on the statement of financial position date and are denominated in following currencies: -

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
CHF	51,607	44,445
EURO	148,815	162,291
GBP		312
	200,422	207,048

9. Trade and other receivables

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Trade Receivables	1,435,958	1,689,964
Less:- Provision for doubtful debts		
Current year provision	-	-
Provision written back during the financial year	-	-
Balance at 31 st March 23	1,435,958	1,689,964
Other Receivables		
Deposits	22,432	25,185
Prepayments	29,222	21,704
Advance for Purchase of Land	50,321	52,091
Others	4,321	-
	106,296	98,980
Total trade and other receivables	1,542,254	1,788,944

The credit period of trade receivables is 30 - 180 days. Trade and other receivables approximate its fair value as on the statement of financial position date and are denominated in Euro except for CHF 49,904.

10. Trade and other payables

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
<i>Trade payables Greenlam Industries Ltd</i>	4,108,862	4,391,639
<i>Other payables:</i>		
- Other trade payables	233,149	310,814
- Accruals for operating expenses	268,027	110,385
- Advances received from customers	33,425	22,114
- Other Statutory dues	-	57,044
Total trade & other payables	4,643,463	4,891,996

The credit period of trade payables is 30-180 days. Trade & other payables approximate its fair value as on the statement of financial position date and are denominated in below currencies.

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
CHF	321,424	212,737
EURO	4,315,502	4,665,889
GBP	-	2,460
USD	6,537	10,910
	4,643,463	4,891,996

11. Contract liability / Contract asset

There are no unfulfilled performance obligations exists with respect to contract asset as at the date of statement of financial statement.

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

12. Swiss Covid Loan

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Swiss Covid Loan – Short term	83,400	-
Swiss Covid Loan – Loan	333,200	500,000
	<u>416,600</u>	<u>500,000</u>

The amount due to Swiss Government is a bridging Loan in nature at Nil rate of interest rate as at 31.03.2023. This loan was granted to provide liquidity to small businesses to cope -up with the impact of Covid-19. The loan is long term in nature and to be repayable in half yearly installments within a period of 5 years.

13. Revenue

<u>Recognized at a point in time</u>	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Sale of goods (Laminates)	<u>16,630,267</u>	<u>13,813,225</u>

Sale of goods revenue represents the invoiced value net of discounts during the financial year and is recognised when the entity has transferred the control over goods upon satisfaction of performance obligations to the buyer. The revenue is recognized upon successful satisfaction of performance obligation as per 'IFRS 15 – Revenue from contracts with customers.'

14. Cost of sales

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Opening stock	3,413,027	3,005,365
Add: Purchases during the financial year	13,871,533	12,016,412
Add: Freight and handling charges		
- Freight charges	368,076	342,048
- Handling and Packing materials		
Stock written off		
Less: Closing stock (Note 7)	3,484,305	3,413,027
Inventory recognized as expense during the year	<u>14,168,331</u>	<u>11,950,798</u>

15. Other income

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Other Misc. Income	167	-
Foreign Exchange Gain	91,588	152,066
	<u>91,755</u>	<u>152,066</u>

16. Profit from operations

The profit from operations is arrived after charging following *major* expenses:

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Rates & taxes	2,346	50,211
Rent	39,778	-
Office maintenance expenses	41,362	41,510
Printing & stationery	-	275
Postage & telephone	24,183	20,343
Travelling expenses	102,336	35,020
Electricity expenses	15,310	10,438
Legal & professional expenses	45,350	46,902
Auditors remuneration	7,000	7,000
Vehicle expenses	100,366	83,117
Commission	38,891	253,055
Bank Charges	3,416	3,166
Sales Promotion expenses	103,888	14,536
Repair & Maintenance – IT Equipments	16,299	20,114
General Expenses	35,340	44,922
Insurance expenses	23,942	3,225
	<u>599,807</u>	<u>633,834</u>

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

17. Finance costs

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Interest on Lease Liability	2,876	5,144
Other Interest Expenses	415	-
	<u>3,291</u>	<u>5,144</u>

18. Employee Compensation

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Wages and salaries	510,294	421,901
Employer's contribution to defined contribution plans	102,535	170,694
Termination & other long-term benefits	7,258	7,262
	<u>620,087</u>	<u>599,857</u>

Directors' remuneration (key management personnel compensation) *not* recognized within staff costs are as follows:

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Salaries, bonus & allowances	877,095	472,015
Director fee	-	-
Employer's contribution to defined contribution plans	121,183	93,566
	<u>998,278</u>	<u>565,581</u>

19. Taxation

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Balance as at 1 st April 2022	49,739	Nil
Current year tax	100,354	49,739
Previous year (over)/ under provision	67,322	-
Income tax paid	(117,061)	-
Balance as at 31 st March 2023	<u>100,354</u>	<u>49,739</u>

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate are as follows:-

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Profit before income tax	<u>262,423</u>	<u>141,755</u>
Tax calculated at tax rate	100,354	49,739
Effects of:		
- expenses not deductible for tax purposes	-	-
- income not subject to tax	-	-
- capital allowances	-	-
- Tax exemption and rebates	-	-
- Prior year's (over)/ under provision	67,322	-
Tax expense	<u>167,676</u>	<u>49,739</u>

20. Deferred tax

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Balance as at 1 st April 2022	-	-
Current year adjustments to profit & loss	-	-
Over provision of deferred tax credit to profit & loss	-	-
Balance as at 31 st March 2023	<u>-</u>	<u>-</u>

21. Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	<u>2022-23</u> CHF	<u>2021-22</u> CHF
Purchases of inventories from Greenlam Industries Ltd	13,525,845	11,607,173
Amount due to Greenlam Industries Ltd	4,108,862	4,391,639

22. Contingencies & commitments

22.1 Contingent liabilities

Contingent liabilities, of which the probability of settlement is not remote at the statement of financial position date, are as none.

22.2 Capital commitments

Capital expenditures contracted for at the statement of financial position date but not recognized in the financial statements, are none.

23. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk, etc.), credit risk and liquidity risk. The Company's overall risk management strategy seeks to minimize any adverse effects from the unpredictability of financial markets on the Company's financial performance. The management continuously monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

23.1 Market risk

(a) **Currency risk**

The Company has limited exposure to foreign currency risk as part of its normal business. The functional currency of the Company is in Euro. As such the Company's sales and purchase transacted in identical currencies are hedged naturally.

The Company's currency exposure based on the information provided to key management is as follows:

<u>As at 31st March 2023</u>	<u>Others</u>	<u>Euros</u>	<u>Total</u>
	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>
Financial assets			
Cash & cash equivalents	-	148,815	148,815
Trade & other receivables	-	1,492,350	1,492,350
	<u>-</u>	<u>1,641,165</u>	<u>1,641,165</u>
Financial liabilities			
Trade Payable - Greenlam Industries Ltd.	-	4,108,862	4,108,862
Other trade Payables	6,537	206,640	213,177
	<u>6,537</u>	<u>4,315,502</u>	<u>4,322,039</u>

Foreign currency sensitivity

If the relevant foreign currency change against CHF by 10%, with all other variables including tax rate being held constant, the effects arising from the financial asset/liability position will be as follows.

If the foreign currency *strengthens* by 10% against the functional currency of the Company, statement of comprehensive income and other equity will increase/ (decrease) by:

	<u>Financial Assets</u>		<u>Financial Liabilities</u>	
	<u>2022-23</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2021-22</u>
(Net of tax @ 26%):	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>	<u>CHF</u>
Profit / (loss)	121,446	142,808	(319,831)	(346,265)
Other equity	-	-	-	-
	<u>121,446</u>	<u>142,808</u>	<u>(319,831)</u>	<u>(346,265)</u>

If the foreign currency *weakens* by 10% against the functional currency of the Company, statements of comprehensive income and other equity will have equal but opposite effect.

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

23. Financial risk management (cont'd)

23.1 Market risk (cont'd)

(b) Interest rate risk

The interest rate risk and its sensitivity are not applicable to the Company as there are no interest-bearing financial assets and liabilities as at 31st March 2023.

23.2 Credit risk

Credit risk refers to the risk that counter party will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are trade receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history, or obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual customer is restricted by credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors. As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company uses a provision matrix to measure the 12-month expected credit losses and/or lifetime expected credit loss allowance for trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macro-economic factors affecting the ability of the customers to settle the receivables. Trade receivables and contract assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

The Company's credit risk exposure in relation to trade receivables under IFRS 9 as at 31 March 2023 are set out in the provision matrix as follows:

Description	0 - 60 days	61 - 120 days	121 - 180 days	181 days & above	TOTAL
	CHF	CHF	CHF	CHF	CHF
Ageing for previous year 21-22 (A)	1,689,964				1,689,964
Bad debts / provision during 21-22 (B)	-				
Credit loss % (C)=(B/A)					
Ageing for current year 22-23 (D)	1,424,744	11,214			1,435,958
Credit loss expected in current year {(D x C) or actual provision, whichever is higher}	-				

The credit risk for trade receivables based on the information provided to key management is as follows:-

	2022-23 CHF	2021-22 CHF
<u>By geographical areas:</u>		
Switzerland	963	
Others – European Countries	1,434,995	1,689,964
	<u>1,435,958</u>	<u>1,689,964</u>
<u>By types of customers:</u>		
Related parties	-	-
Non-related parties	1,435,958	1,689,964
	<u>1,435,958</u>	<u>1,689,964</u>

23.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by the Company for managing liquidity risk included cash and short-term deposits.

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

23. Financial risk management (cont'd)

23.3 Liquidity risk (Cont'd)

The table below analyses non-derivative financial liabilities of the Company into relevant maturity group is based on the remaining period from the statement of financial position date to the contractual maturity date (contractual and undiscounted cash flows):-

31st March 2023	Maturity < 1 year	Maturity 2 to 5 years	Total	Applicable Interest Rate
Financial Liabilities	CHF	CHF	CHF	Note No. #
Swiss Covid Loan	83,400	333,200	416,600	12
Trade & Other Payable	4,643,463		4,643,463	10
Provision for Taxation	100,354		100,354	19
Lease Liabilities	40,274		40,274	6
Total	4,867,491	333,200	52,00,691	

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Company on the basis of expected cash flow. This is generally carried out in accordance with the practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

23.4 Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	2022-23	2021-22
	CHF	CHF
Net debt	4,899,915	5,184,948
Total equity	84,385	(10,362)
Total capital	4,984,300	5,174,586
Gearing ratio (%)	98%	100%

The Borrowers leverage ratio is calculated as total liability of the Company divided by tangible net worth of the Company.

	2022-23	2021-22
	CHF	CHF
Total liability	5,200,691	5,533,649
Tangible net worth	84,385	(10,362)
Leverage ratio	62	-

23.5 Fair value measurements

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

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

The fair value measurements are not applicable to the Company as there are no financial instruments of the types of level 1, 2 or 3 exists as at the date of statement of financial position.

24. Subsequent Events and Going Concern

The management is closely monitoring the Company's operations, liquidity and resources and is actively working to minimize the current and future impact of any unprecedented situation or uncertainty which might arise due to global economic conditions. According to the management's assessment, these financial statements do not include any adjustment that might result from the outcome of any such uncertainty and the current COVID-19 pandemic situation does not pose any significant material risk to business operations and going concern status of the Company as of the date of the issuance of these financial statements.

25. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2023 and which the Company has not early adopted.

IFRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
(effective for annual periods beginning on or after 1 January 2023)

IFRS 12 Income taxes: Deferred Tax related to assets and liabilities arising from a Single Transaction
(effective for annual periods beginning on or after 1 January 2023)

26. Authorisation of financial statements

These financial statements of the Company as at 31st March 2023 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of **Greenlam Decolan SA** on **24th of April 2023**.