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ANNUAL FINANCIAL STATEMENTS OF SUBSIDIARIES OF TEGA INDUSTRIES LIMITED FOR THE FINANCIAL YEAR 2021-22

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ANNEXURE A

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

31 March 2022

TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

DIRECTORS

Madan Mohan Mohanka
Mehul Mohanka
Wadhwani Tarun Pahlaj

REGISTERED OFFICE

9 Temasek Boulevard #26-02A
Suntec Tower Two
Singapore 038989

COMPANY SECRETARY

Catherine Dorothy Hanam
Choo Lee Peng Geraldine

AUDITORS

JH Tan & Associates
Chartered Accountants Singapore

BANKERS

Citibank Singapore Ltd
Standard Chartered Bank
Ecobank - The Pan African Bank

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TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT
For the financial year ended 31 March 2022

The directors of the Company present their statement to the member together with the audited financial statements of TEGA HOLDINGS PTE. LIMITED (the "Company") for the financial year ended 31 March 2022.

In the opinion of the directors,

a) the financial statements set out on pages 5 to 35 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022, and the financial performance, changes in equity and cash flows for the financial year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and

b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors of the Company

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

Madan Mohan Mohanka
Mehul Mohanka
Wadhwani Tarun Pahlaj

Arrangement to enable director to acquire shares or debentures

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company is a party, to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the registers required to be kept under Section 164 of the Companies Act, Cap. 50, particulars of interests of directors, who held office at the end of the financial year, in shares or debentures of the Company are as follows: -

	Held in name of director Number of shares of Rs 10 each		Deemed interest Number of shares	
	As at 1/4/2021	As at 31/3/2022	As at 1/4/2021	As at 31/3/2022
The Company: -				
Madan Mohan Mohanka	-	-	12,350	100,280

By virtue of Section 7 of the Companies Act, the above director, with his shareholdings in the ultimate holding company, is deemed to have interests in the Company and all its related companies.

DIRECTORS' STATEMENT
For the financial year ended 31 March 2022 (cont'd)

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 options at the end of the financial year.

Auditors

The auditors, JH Tan & Associates, have expressed their willingness to accept re-appointment.

On behalf of the Board,

MADAN MOHAN MOHANKA
DIRECTOR

MEHUL MOHANKA
DIRECTOR

Date: 19 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

We have audited the financial statements of TEGA HOLDINGS PTE. LTD. (the "Company"), which comprise the statement of financial position of the company as at 31 March 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position and of the Company as at 31 March 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial period 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 information included in the Directors' Statement, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

JH Tan & Associates

JH TAN & ASSOCIATES
Public Accountants and
Chartered Accountants Singapore

Singapore, 19 May 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		S$	S$
Revenue	5	1,965,801	7,221,791
Cost of sales		(1,818,608)	(6,817,442)
Gross (loss)/profit		147,193	404,349
Other operating income	6	5,628,496	32,296,880
Other operating expenses	7	(3,809,782)	(2,138,241)
Finance costs	9	(8,163)	(8,295)
Profit before taxation		1,957,744	30,554,693
Taxation	10	(168,514)	(13,365)
Profit for the year, representing total comprehensive income for the year		1,789,230	30,541,328

The accompanying notes form an integral part of the financial statements.

TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022	2021
		S$	S$
ASSETS			
Non-current assets			
Plant and equipment	11	135,478	168,947
Investments in subsidiary companies	12	48,343,190	46,543,190
Due from subsidiary companies	13	6,164,737	6,136,496
Deferred tax assets	14	3,803	7,927
		54,647,208	52,856,560
Current assets			
Trade and other receivables	15	3,060,279	2,357,757
Due from subsidiary companies	13	7,239,778	7,321,959
Due from fellow subsidiary companies	16	17,380	6,570,376
Due from immediate holding company – non-trade	17	2,323,164	922,910
Cash and cash equivalents	18	272,873	1,065,740
		12,913,474	18,238,742
Total assets		67,560,682	71,095,302
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	19	80,693,726	12,350
Accumulated losses		(14,331,321)	(16,120,551)
		66,362,405	(16,108,201)
Non-current liabilities			
Redeemable preference shares	20	-	80,192,080
Current liabilities			
Trade and other payables	21	856,414	954,812
Bank overdraft	18	-	2,066
Due to fellow subsidiary company	22	250,043	289,701
Due to immediate holding company – trade	23	840	5,750,344
Income tax payable		90,980	14,500
		1,198,277	7,011,423
Total equity and liabilities		67,560,682	71,095,302

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Share capital	Accumulated losses	Total
	S$	S$	S$
Balance as at 1 April 2020	12,350	(46,661,879)	(46,649,529)
Total comprehensive income for the year	-	30,541,328	30,541,328
Balance as at 31 March 2021	12,350	(16,120,551)	(16,108,201)
Ordinary shares issued during the year (Note 19)	80,681,376	-	80,681,376
Total comprehensive income for the year	-	1,789,230	1,789,230
Balance as at 31 March 2022	80,693,726	(14,331,321)	66,362,405

The accompanying notes form an integral part of the financial statements.

TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022	2021
		S$	S$
Cash flows from operating activities			
Profit before taxation		1,957,744	30,554,693
Adjustments for: -			
Depreciation of plant and equipment	11	35,665	7,612
Interest income	6	(829,935)	(893,590)
Interest expenses	9	8,163	8,295
Reversal of expected credit losses		(139,545)	-
Reversal of impairment loss on investment in subsidiary company	6	(1,800,000)	(25,210,000)
Unrealised exchange differences		489,296	(5,066,338)
Operating (loss)/profit before working capital changes		(278,612)	(599,328)
Changes in working capital: -			
Trade and other receivables		(562,977)	5,065,014
Advances to subsidiary companies, net		53,940	(165,044)
Advances to a fellow subsidiary company, net		6,513,338	(49,393)
Advances to immediate holding company, net		(7,149,758)	(958,770)
Trade and other payables		(98,398)	(1,062,226)
		(1,243,855)	2,829,581
Net cash generated from/(used in) operations		(1,522,467)	2,230,253
Interest received		829,935	893,590
Interest paid		(8,163)	(8,295)
Income tax paid		(43,068)	(131,665)
Withholding tax paid		(44,842)	(58,583)
Net cash (used in)/generated from operating activities		(788,605)	2,925,300
Cash flows from investing activities			
Acquisition of ordinary shares in subsidiaries		-	(1,829,597)
Purchase of plant and equipment	11	(2,196)	(170,403)
Net cash used in investing activities		(2,196)	(2,000,000)
Net cash carried forward		(790,801)	925,300

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (cont'd)

	Note	2022	2021
		S$	S$
Net cash brought forward		(790,801)	925,300
Cash flows from financing activities			
Proceeds from issuance of redeemable preference shares		-	-
Repayment of term loans		-	-
Net cash generated from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(790,801)	925,300
Cash and cash equivalents at beginning of the year		1,063,674	138,374
Cash and cash equivalents at end of year	18	272,873	1,063,674

The accompanying notes form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

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

1. CORPORATE INFORMATION

The Company is incorporated and domiciled in the Republic of Singapore. Its principal activities are those of an investments holding company and general wholesale trade. There have been no significant changes in the nature of these activities during the financial year.

The Company's registered address and principal place of business is at 9 Temasek Boulevard #26-02A, Suntec Tower 2, Singapore 038989.

The principal activities of its subsidiary companies are set out under Note 12 to these financial statements.

The Company established the following four branches which act as marketing offices:

i) Peruvian Branch, namely Tega Holdings Pte. Limited Sucursal del Peru whose principal activities are those of marketing activities of wear products;
ii) Dubai Branch, namely Tega Holdings Pte Limited RAKFTZ whose principal activities are those of marketing activities of wear products;
iii) Mali Branch, Tega Holdings Pte. Limited SARL, whose principal activities are those of the marketing activities of wear products.
iv) Ghana Branch, Tega Holdings Pte. Limited, whose principal activities are those of the marketing activities of wear products.

The Company is wholly owned by Tega Industries Limited and its ultimate holding company is Nihal Fiscal Services Pvt Ltd. Both companies are incorporated in India.

The financial statements of the Company for the year ended 31 March 2022 were authorised for issue by the Board on the date of the Directors' statement.

2. FUNDAMENTAL ACCOUNTING CONCEPT

<u>Going concern assumption</u>

The financial statements have been prepared under the concept of a going concern which assumes continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

3. CAPITAL RISK MANAGEMENT

The Company manages its capital to safeguard its ability to continue as a going concern in order to provide return to its shareholders and benefits for any other stakeholders. The capital structure of the Company consists of equity attributable to its shareholders, comprising share capital and accumulated losses.

The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies and processes during the financial years ended 31 March 2022 and 31 March 2021.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") as required by the Companies Act. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements have been prepared on a historical cost basis modified where applicable and as disclosed in these notes. These financial statements are expressed in Singapore dollar.

b) Adoption of new and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs and interpretation of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2021. The adoption of these new/revised FRSs and INT FRSs does not result in changes in the Company's accounting policies and has no material effect on the amounts reported for the current or prior year.

c) FRSs and INT FRSs not yet effective

The Company has not adopted the FRSs, INT FRSs and Amendments to FRSs that have been issued but not yet effective.

The directors expect that the adoption of those pronouncements will have no material impact on the financial statements in the period of initial application.

d) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no significant judgements and estimates made during the year except as discussed below.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) *Calculation of loss allowance*

When measuring expected credit losses ("ECL"), the Company uses reasonable and supportive forward-looking information, which is based on assumptions for the future movement economic drivers and how these drivers will affect each other.

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

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

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Significant accounting estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment on non-financial assets

Plant and equipment, and investments in subsidiary companies are tested for impairment annually and whenever there is indication that non-financial asset may be impaired. The carrying amounts of these non-financial assets are reviewed by management at the end of each reporting period. If any indication of impairment exists, an impairment loss is recognised to the extent of the excess of the carrying amount over the estimated recoverable amount. The carrying amounts of these non-financial assets are disclosed in Notes 11 and 12 to the financial statements.

Critical judgements in applying accounting policies

Management is of the opinion that there are significant judgements made in applying the Company's account policies, as follows:

Determination of functional currency

The directors consider the currency of the primary economic environment in which the Company operates to be the Singapore dollar as this is the currency which in their opinion most faithfully represents the economic effects of the Company's underlying transactions, events and conditions. The Singapore dollar is the currency in which the Company measures its performance and reports its results.

e) Functional and foreign currency

Functional currency

The management has determined that the Singapore dollar (S$) is the Company's functional currency, being the currency of the primary economic environment in which the Company operates. Revenue and major operating expenses are primarily influenced by fluctuations in Singapore dollar.

Foreign currency transactions

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

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

f) Consolidation

These financial statements are the separate financial statements of Tega Holdings Pte. Limited. The Company is exempted from the requirement to prepare consolidated financial statements as the Company is a wholly owned subsidiary corporation of Tega Industries Limited, a corporation incorporated and domiciled in India. The immediate holding company prepares consolidated financial statements for the financial year ended 31 March 2022 that are publicly available. The registered office of the holding corporation is located at 147, Block G, Humayun Kabir Sarani, New Alipore, Kolkata 700053 India.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

f) Consolidation (cont'd)

Subsidiary corporation

Subsidiary corporation are entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect is returns.

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

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

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

Accounting for subsidiary corporation by the Company

Investment in subsidiary company is stated in the Company's statement of financial position at cost less any accumulated impairment losses. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

g) Plant and equipment

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

Depreciation is charged using the straight-line method so as to write off the cost of plant and equipment over their estimated useful lives, as follows:

Computers	-	3 - 5 years
Motor vehicles	-	5 years

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

The estimated useful lives, residual values and depreciation method are reviewed, and adjusted as appropriate, at the end of each financial year.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Plant and equipment (cont'd)

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

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

h) Financial instruments

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 fair value through profit of loss ("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, fair value through other comprehensive income ("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 recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

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 has been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

h) Financial instruments (cont'd)

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 attribute 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.

Derecognition

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.

i) Impairment of financial assets

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

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

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

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.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is indication that these assets may be impaired. If any such indication exists, 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. 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 the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

k) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand, which are subject to an insignificant risk of changes in value.

l) Provisions

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

Provisions are reviewed at each balance sheet date 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.

m) Taxes

Current taxation

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the end of financial year.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

m) Taxes (cont'd)

Deferred taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to the taxable profit in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the financial year-end.

Deferred tax assets are recognised for all deductible temporary difference, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, carry-forward of unused tax assets and unused tax losses can be recognised.

At each financial year end, the Company re-assesses recognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognised a previously recognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax assets to be recognised.

Goods and services tax (GST)

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

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

n) Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be compiled with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement over the expected useful lie of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional governmental grant.

Special Employment Credit ("SEC") and Wage Credit Scheme ("WCS") are cash grants that are recognised upon receipt. During the financial year, due to Covid-19 Pandemic, government provided some support and relief such as Jobs Support Scheme ("JSS"), property tax rebate and rental relief.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) 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.

Sale of goods
Revenue from the sale of goods is recognised when performance obligation is satisfied which generally coincides with their delivery and acceptance.

Interest income
Interest income is recognised using the effective interest method.

Management fee income
Management fee income refers to fee charged for performing corporate and administrative services.

p) Borrowing costs

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

q) Share capital

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

r) Employee benefits

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.

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.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

s) Related parties

A related party is defined as follows:

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

ii) An entity is related to the Company if any of the following conditions applies:
   a. The entity and the Company are members of the same group (which means that each subsidiary and fellow subsidiary is related to the others).
   b. One entity is an associate or joint venture of the other entity (or an associate or joint venture or a member of a group which the other entity is a member).
   c. Both entities are joint ventures of the same third party.
   d. One entity is a joint venture of a third entity and the other entity is an associate of the entity.
   e. The entity is a post-employment benefit plan for the benefit if employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsor employers are also related to the Company.
   f. The entity is controlled or jointly controlled by a person identified in i);
   g. A person identified in i) a. has significant influence over the entity or is a member of the management personnel of the entity (or a parent of the entity).

5. REVENUE

	2022	2021
	S$	S$
Sale of goods – at a point in time	1,965,801	7,221,791

6. OTHER OPERATING INCOME

	2022	2021
	S$	S$
Gain on exchange difference	-	4,900,127
Interest income	829,935	893,590
Management fee income	2,530,404	1,240,357
Liability written back	-	22,033
Government grants (JSS)	-	4,279
Miscellaneous income	236,555	26,494
Reversal of expected credit losses	139,545	-
Reversal of impairment loss on investment in subsidiary company	1,800,000	25,210,000
Others	92,057	-
	5,628,496	32,296,880

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

7. OTHER OPERATING EXPENSES

Other operating expenses include the following: -

	2022	2021
	S$	S$
Bad debts written off	-	141,905
Bank charges	33,284	25,763
Legal fees	6,509	5,723
Professional fees	389,287	324,928
Travelling expenses	164,815	104,332
Depreciation of plant and equipment	35,665	7,612
Loss on exchange difference	602,526	-
Employee costs (Note 8)	2,013,323	1,403,454

8. EMPLOYEE COSTS

	2022	2021
	S$	S$
Director's remuneration	496,323	496,323
Salaries and bonuses	1,516,868	906,986
Contributions to pension fund and social fund	132	145
	2,013,323	1,403,454

The above included the following key management personnel compensation during the financial year: -

	2022	2021
Director of the Company:		
- Director's salaries and bonus	489,123	489,123
- Rental - accommodation	7,200	7,200
	496,323	496,323

9. FINANCE COSTS

	2022	2021
	S$	S$
Interest expenses on loan from subsidiary companies	8,163	8,295
Interest expenses on term loans	-	-
	8,163	8,295

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

10. TAXATION

	2022	2021
	S$	S$
Current year taxation	115,376	14,500
(Over)/under provision in prior years	(10,194)	(58,485)
Deferred taxation	4,124	(1,233)
Withholding tax	59,208	58,583
	168,514	13,365

A reconciliation of the tax expense and the results for the year is as follows:

	2022	2021
Profit before taxation	1,957,744	30,554,693
Tax benefits at statutory rate of 17%	332,816	5,194,298
Non taxable income	(346,214)	(5,169,971)
Non-deductible expenses	124,311	6,217
Stepped income exemption	(15,975)	(15,975)
Tax rebate	-	(942)
Deferred tax not recognised	-	(1,233)
Withholding tax	59,208	58,583
Others	24,562	873
	178,708	71,850
(Over)/Under provision of current taxation in prior years	(10,194)	(58,485)
	168,514	13,365

11. PLANT AND EQUIPMENT

	Computers	**Motor vehicles**	**Total**
	S$	S$	S$
Cost			
As at 1 April 2020	13,480	32,207	45,687
Addition	1,851	168,552	170,403
As at 31 March 2021	15,331	200,759	216,090
Additions	2,196	-	2,196
Disposals	(258)	(1,205)	(1,463)
As at 31 March 2022	17,269	199,554	216,871
Accumulated depreciation			
As at 1 April 2020	7,324	32,207	39,531
Charge for the year	2,575	5,037	7,612
As at 31 March 2021	9,899	37,244	47,143
Charge for the year	3,162	32,503	35,665
Disposals	(235)	(1,205)	(1,463)
As at 31 March 2022	12,803	68,542	81,345

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

11. PLANT AND EQUIPMENT (cont'd)

	Computers	Motor vehicles	Total
	S$	S$	S$
Net carrying amount			
As at 31 March 2022	4,466	131,012	135,478
As at 31 March 2021	5,432	163,515	168,947

12. INVESTMENTS IN SUBSIDIARY COMPANIES

	2022	2021
	S$	S$
At cost		
Investments in unquoted subsidiary companies	16,773,086	16,773,086
Investment in 0.1% non-cumulative preference shares in subsidiary companies	37,496,595	37,496,595
	54,269,681	54,269,681
Less: Impairment allowance: -		
At the beginning of the year	(7,726,491)	(32,936,491)
Reversal during the year	1,800,000	25,210,000
As at end of financial year	(5,926,491)	(7,726,491)
	48,343,190	46,543,190

Details of the subsidiary companies as at the financial year end are as follows: -

Name of subsidiary companies	Country of Incorporation & Place of Business	Principal Activities	Proportion of ownership (interest)		Proportion of voting power held	
			2022	2021	2022	2021
			%	%	%	%
Tega Holdings Pty Limited	Australia	Investment holding	100	100	100	100
Tega Investments South Africa Proprietary Limited	South Africa	Investment holding	100	100	100	100
Tega Industries Chile SpA	Chile	Manufacturer of wear resistant product for mining application & slurry handling system	100	100	100	100

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

12. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

The following subsidiary companies are held by the above subsidiary companies at the financial year end: -

Name of subsidiary companies	Country of Incorporation & Place of Business	Principal Activities	Proportion of ownership (interest)		Proportion of voting power held	
			2022	2021	2022	2021
			%	%	%	%
Held by Tega Holdings Pty Limited: -						
Losugen Pty Ltd	Australia	Manufacturer of wear components, especially in rubber	100	100	100	100
Held by Tega Industries Chile SpA: -						
*Edoctum S.A.	Chile	Involvement and holding technical events, courses, seminars and congresses on mining industry	99.89	99.89	99.89	99.89
Edoctum Peru S.A.C. (held by Edoctum S.A.)	Chile	Involvement and holding technical events, courses, seminars and congresses on mining industry	100	100	100	100
Held by Tega Investments South Africa Proprietary Limited: -						
Tega Industries Africa Proprietary Limited	South Africa	Involvement and holding technical events, courses, seminars and congresses on mining industry	100	100	100	100

All of the above subsidiary companies are audited by other audit firms in their respective countries.

* The remaining shares in Edoctum S.A. are held by the Company.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

12. INVESTMENTS IN SUBSIDIARY COMPANIES (cont'd)

Details of the 0.1% non-cumulative preference shares in subsidiary companies as at the financial year end is set out below: -

Name of Companies	Country of Incorporation & Place of Business	Principal Activities	Cost of 0.1% Non-cumulative Preference Shares (Percentage of)	
			2022	2021
			S$	S$
Tega Industries Chile SpA	Chile	Manufacturer of wear resistant product for mining application & slurry handling system	37,496,595 (100%)	37,496,595 (100%)
			37,496,595	37,496,595

The Company's investment in subsidiary, Tega Industries Chile SpA comprise of equity shares and redeemable preference shares with carrying amounts of S$11,429,896 (2021: S$11,429,896) and S$37,496,595 (2021: S$37,496,595) respectively. The Company regards the subsidiary as a long-term investment. It has obtained from the holding company, Tega Industries Limited, an undertaking to indemnify the Company for any impairment losses arising from the investment in the subsidiary and the loans advanced (Note 13).

13. DUE FROM SUBSIDIARY COMPANIES

	2022	2021
	S$	S$
Due from subsidiary companies	13,404,515	13,458,455
Less: Impairment loss: -		
At the beginning of the year	-	-
Charge during the year	-	-
As at the end of the financial year	-	-
Net amount due from subsidiary companies	13,404,515	13,458,455
Less: current portion of amount due from subsidiary companies	(7,239,778)	(7,321,959)
Non-current portion of due from subsidiary companies	6,164,737	6,136,496

Amount due from subsidiary companies are denominated in the following currencies: -

	2022	2021
	S$	S$
Interest bearing advances:		
Australian dollar	7,239,778	7,321,959
United States dollar	6,164,737	6,136,496
	13,404,515	13,458,455

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

13. DUE FROM SUBSIDIARY COMPANIES (cont'd)

Advance to subsidiary company denominated in Australian dollar is non-trade in nature, unsecured with annual interest of 8.2% (2021: 8.2%) and with no fixed terms of repayment.

Advance to subsidiary company denominated in United States dollar is non-trade in nature, unsecured with annual interest of 3.2% to 4.5% (2021: of 3.2% to 4.5%) and with repayment due more than 12 months from year-end.

14. DEFERRED TAX ASSETS

	Accelerated tax depreciation	Tax losses & capital allowances	Total
	S$	S$	S$
At 1 April 2020	(7,116)	-	(7,116)
Charged to profit or loss (Note 10)	(1,233)	-	(1,233)
Gain on exchange differences	422	-	422
At 31 March 2021	(7,927)	-	(7,927)
Charged/(credited) to profit or loss (Note 10)	4,124	-	4,124
Gain on exchange differences	-	-	-
At 31 March 2022	(3,803)	-	(3,803)

Deferred tax asset arose from tax losses and capital allowances.

15. TRADE AND OTHER RECEIVABLES

	2022	2021
	S$	S$
Trade receivables - third parties	154,407	276,386
Less: allowance for expected credit losses	(1,676)	(141,221)
	152,731	135,165
Other receivables:		
Interest receivable on loans to subsidiary companies and fellow subsidiary companies	2,754,063	2,076,195
Security deposits	8,219	7,988
Other receivables	44,622	82,534
Prepayments:		
Prepaid expenses	100,644	55,875
	3,060,279	2,357,757

Trade receivables are non-interest bearing and are generally on a 30 (2021: 30) day credit terms.

Other receivables are non-trade in nature, unsecured, interest-free and are repayable on demand.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

15. TRADE AND OTHER RECEIVABLES (cont'd)

Trade and other receivables are denominated in the following currencies: -

	2022	2021
	S$	S$
Australian dollar	1,194,327	664,750
Euro	152,739	98,413
Peruvian nuevo sol	30,030	125,716
Singapore dollar	74,017	8,588
United Arab Emirates dirham	-	3,571
United States dollar	1,609,166	1,456,719
	3,060,279	2,357,757

16. DUE FROM FELLOW SUBSIDIARY COMPANIES

	2022	2021
	S$	S$
Due from fellow subsidiary companies	17,380	6,570,376

Amount due from fellow subsidiary companies are denominated in the following currencies: -

	2022	2021
Trade		
Australian dollar	-	3,577,753
Canadian dollar	-	3,407
Euro	-	15,342
Singapore dollar	17,380	237,728
United States dollar	-	3,986
	17,380	3,838,216
Non-trade		
Interest bearing advances:		
United States dollar	-	2,732,160
	17,380	6,570,376

Trade amounts due from fellow subsidiary companies are non-interest bearing and are generally on a 30 (2021: 30) day credit terms.

Non-trade interest bearing amounts due from fellow subsidiary companies are unsecured with interest of 3.2% to 4.5% (2021: of 3.2% to 4.5%) per annum with no fixed terms of repayment.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

17. DUE FROM IMMEDIATE HOLDING COMPANY – NON-TRADE

	2022	2021
	S$	S$
Non-trade	2,323,164	922,910
	2,323,164	922,910

Non-trade amount due from immediate holding company is unsecured, interest free and is payable on demand.

18. CASH AND CASH EQUIVALENTS

	2022	2021
	S$	S$
Cash at banks	265,412	1,062,447
Cash on hand	7,461	3,293
	272,873	1,065,740
Less: Bank overdraft	-	(2,066)
	272,873	1,063,674

Cash and cash equivalents are denominated in the following currencies: -

	2022	2021
Australian dollar	29,043	168,426
West African CFA franc	1,046	1,640
Euro	1,104	620
Ghanaian cedi	3,791	552,758
Peruvian nuevo sol	23,891	(2,066)
Singapore dollar	56,225	19,858
United States dollar	157,773	322,438
	272,873	1,063,674

19. SHARE CAPITAL

	2022	2021
	S$	S$
Issued and fully paid-up share capital:		
100,280 (2021: 12,350) ordinary shares	80,693,726	12,350

87,930 ordinary shares were issued as part of the conversion of 595,250 redeemable preference share (Note 20) at a consideration of $917.56 per share.

The ordinary shares in the capital are without par value. All ordinary shares carry one vote per share without restrictions.

The ordinary shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

20. REDEEMABLE PREFERENCE SHARES

	2022	2021
	S$	S$
Redeemable preference shares:		
- Nil (2021: 595,250) shares, at par value of US$100	-	80,192,080

The Company issued Nil (2021: Nil) redeemable preference shares ("RPS") at an average price of S$Nil (2021: S$Nil) equivalent to US$100 (2021: US$100) per share to its immediate holding company during the financial year ended 31 March 2022.

Terms and rights relating to these preference shares are set out in clause 12 to 23 of the Company's Articles of Association.

The principal features of the RPS are: -

a) The RPS are entitled to a fixed cumulative preference dividend of 3% (2021: 3%) per annum subject to certain conditions;

b) The RPS may be converted into ordinary shares within seven business days of receipt of a conversion requests from RPS holders or may be converted by the Company as resolved at an annual general meeting;

c) The RPS are to be converted into ordinary shares at a conversion ratio of one RPS to the number of shares at the prevailing exchange rate for US$ to S$ as at the date of conversion; and the RPS may be redeemed by the Company at par.

Redeemable preference shares are denominated in United States dollar. The full amount of 595,250 redeemable preference shares were converted into ordinary shares during the financial year.

21. TRADE AND OTHER PAYABLES

	2022	2021
	S$	S$
Trade payables	95,325	276,832
Interest payables on loans to fellow subsidiary company	16,461	8,252
Accruals for operating expenses	332,677	225,074
Provision for long service leave benefits	243,713	218,778
Other payables	168,238	225,876
	856,414	954,812

Trade payables are normally settled within 30 (2021: 30) days.

Other payables are non-trade in nature, unsecured, interest-free and are payable as due.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

21. TRADE AND OTHER PAYABLES (cont'd)

Trade and other payables are denominated in the following currencies: -

	2022	2021
	S$	S$
Australian dollar	-	212,352
Ghanaian Cedi	80,553	
Peruvian nuevo sol	216,985	358,414
Singapore dollar	530,617	104,408
Euro	-	20,455
United Arab Emirates dirham	-	13,734
United States dollar	28,259	245,449
	856,414	954,812

22. DUE TO FELLOW SUBSIDIARY COMPANY

The amount due to fellow subsidiary company is non-trade in nature, unsecured and repayable on demand. Interest is payable at Libor plus 300 basis point.

Amount due to subsidiary company is denominated in the following currencies: -

	2022	2021
	S$	S$
United States dollar	250,043	289,701

23. DUE TO IMMEDIATE HOLDING COMPANY – TRADE

	2022	2021
	S$	S$
Trade		
Australian dollar	-	5,187,522
Canadian dollar	-	3,407
Euro	-	105,296
United States dollar	-	411,531
Singapore dollar	840	42,588
	840	5,750,344

Trade amounts due to immediate holding company are unsecured, interest-free and are repayable on demand.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

24. RELATED PARTY TRANSACTIONS

Significant inter-company transactions during the financial year, transacted on terms agreed between the parties, are: -

	2022	2021
	S$	S$
With immediate holding company: -		
Payment on behalf for immediate holding company, net	(1,185,750)	(47,516)
Management fee income	2,423,434	922,910
Purchases	1,818,608	(6,813,050)
With subsidiary companies: -		
Loan repayment from subsidiary companies		-
Interest on loan charged to subsidiary companies	790,222	809,159
With fellow subsidiary companies: -		
Loan advances from fellow subsidiary companies	-	479,664
Purchase of investment	-	1,829,598
Interest on loan charged by subsidiary companies	(8,163)	(8,295)
Loan advances to fellow subsidiary companies	-	(2,868,240)
Loan repayment to fellow subsidiary companies	(2,845,794)	2,868,240
Interest on loan charged to fellow subsidiary companies	39,713	84,431
Management fee income	106,970	237,728
Payment on behalf	(40,169)	-
Sales	1,445,913	5,598,351

25. CONTINGENT LIABILITY

Holders of redeemable preference shares in the Company (Note 20) are entitled to fixed cumulative preference dividend of 3% (2021: 3%) per annum subject to certain conditions. The total cumulative dividend due amounted to S$1,728,202 (2021: S$2,405,762). This represents dividend due for the financial year ended 31 March 2022. Dividends due to 30 June 2021 have been waived by the holder of the redeemable preference shares. The dividend has not been provided for in these financial statements as due to the net loss position of the Company and continued operating losses made, management is of the opinion that it is unlikely that conditions for payment of the dividend will be met.

26. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table analyses the financial instruments in the statement of financial position, by their classes and categories: -

	2022	2021
	S$	S$
Financial assets: -		
At amortised cost	18,977,567	24,319,363
Financial liabilities: -		
At amortised cost	1,107,297	(87,189,003)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

27. FINANCIAL RISK MANAGEMENT

The directors review management policies for the following financial risks which arise in the normal course of business: -

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 cash and cash equivalents. Trade receivables of the Company are mainly due from companies with good collection track record with the Company. Cash balances are placed with reputable banks and financial institutions which are regulated.

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 90 days, or there is significant difficulty of the counterparty.

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

- Internal crediting 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 increase in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

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

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

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

a) Credit risk (cont'd)

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

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

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >90 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

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	Loss allowance	Net carrying amount
				S$	S$	S$
As at 31 March 2022: -						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	154,407	(1,676)	152,731
Other receivables	15	I	12-month ECL	2,838,560	-	2,907,540
					(1,676)	
As at 31 March 2021: -						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	276,386	(141,221)	135,165
Other receivables	15	I	12-month ECL	2,222,592	-	2,222,592
					(141,221)	

Trade receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a 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.

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

a) Credit risk (cont'd)

Trade receivables (Note 1) (cont'd)

	Trade receivables		
	Days past due		
	≤180 days	>180 days	Total
	S$	S$	S$
As at 31 March 2022: -			
ECL rate	-	100%	
Estimated total gross carrying amount at default	83,809	70,598	154,407
ECL	-	(1,676)	(1,676)
			152,731
As at 31 March 2021: -			
ECL rate	-	100%	
Estimated total gross carrying amount at default	135,165	141,221	276,386
ECL	-	(141,221)	(141,221)
			135,165

Information regarding loss allowance movement of trade receivables is disclosed in Note 15.

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 exonymic 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 immediate holding company, subsidiary companies and fellow subsidiary companies. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

b) Foreign currency risk

The Company's foreign exchange risk results from cash flows transactions denominated in foreign currencies mainly in Australian dollar and United States dollar. It is the Company's policy not to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

The carrying amounts of significant monetary assets and monetary liabilities denominated in non-functional currencies are as follows: -

	Assets	Liabilities	Net
	S$	S$	S$
As at 31 March 2022: -			
Australian dollar	8,463,147	-	8,463,147
United States dollar	7,943,225	(428,621)	7,514,604
As at 31 March 2021: -			
Australian dollar	11,732,887	(5,399,874)	6,333,013
United States dollar	10,651,799	(81,189,114)	(70,537,315)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

b) Foreign currency risk (cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 5% (2021: 5%) increase and decrease in the Singapore dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2021: 5%) change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Company where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the Singapore dollar appreciates/(depreciates) by 5% (2021: 5%) against the relevant foreign currency, profit or loss will increase/(decrease) by: -

	Australian dollar impact		United States dollar impact	
	2022	2021	2022	2021
	S$	S$	S$	S$
Appreciates by 5% (2021: 5%): -				
Profit or loss	(423,157)	(316,651)	(375,730)	3,526,866
Depreciates by 5% (2021: 5%): -				
Profit or loss	423,157	316,651	375,730	(3,526,866)

c) Interest rate risk

The Company's exposure to interest rate risk arises primarily from its advances to subsidiary companies and fellow subsidiary companies and bank borrowings. Movements in interest rates are monitored to ensure that borrowing rates are comparable to current incremental borrowing rates for similar type of borrowing arrangement.

As at the financial year end, the profile of the Company's interest-bearing financial assets and liabilities are as follows: -

	2022	2021
	S$	S$
Financial assets		
Due from subsidiary companies	13,138,009	13,458,455
Due from fellow subsidiary companies	-	2,732,160
	13,138,009	16,190,615
Less: bank overdraft	-	2,066
	13,138,009	16,188,549

Interest rate risk sensitivity

As at the financial year end, if the interest rates had been 100 (2021: 100) basis points higher/lower with all variables held constant, profit or loss will increase/(decrease) by: -

	2022	2021
	S$	S$
Higher by 100 basis points: -		
Profit or loss	109,045	134,382
Lower by 100 basis points: -		
Profit or loss	(109,045)	(134,382)

NOTES TO FINANCIAL STATEMENTS - 31 MARCH 2022

27. FINANCIAL RISK MANAGEMENT (cont'd)

c) Liquidity risk

Liquidity is the risk that the Company will encounter difficulty in meeting its financial obligation as and when they fall due.
The directors maintain a level of cash and cash equivalents deemed adequate to finance the Company's operations and to mitigate cash flows fluctuation. Due to the dynamic nature of business, the Company also maintains flexibility in funding by ensuring that ample of credit facilities and working capital lives are available at any point in time.

d) Fair values

The carrying amounts of financial assets and financial liabilities reported in the statement of financial position approximate the carrying amounts of those assets and liabilities, due to their short term nature.

The carrying amounts of borrowings approximate their fair values as they bear interest at rates which are comparable to current incremental borrowing rates for similar type of borrowing.

-- **End of the Audited Financial Statements** --

TEGA HOLDINGS PTE. LIMITED
(Company Registration No: 201025465K)
(Incorporated in the Republic of Singapore)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022	2021
	S$	S$
Revenue: -		
Sales	1,965,801	7,221,791
	1,965,801	7,221,791
Less: Cost of sales: -		
Purchases	1,818,608	6,817,442
	(1,818,608)	(6,817,442)
Gross (loss)/profit	147,193	404,349
Add: Other operating income: -		
Gain on exchange difference	-	4,900,127
Interest income	829,935	893,590
Management fee income	2,530,404	1,240,357
Liability written back	-	22,033
Government grants (JSS)	-	4,279
Miscellaneous income	236,555	26,494
Reversal of expected credit losses	139,545	-
Reversal of impairment loss on investment in subsidiary	1,800,000	25,210,000
Others	92,057	-
	5,628,496	32,296,880
Less: Other operating expenses (Annex 1)	(3,809,782)	(2,138,241)
Less: Finance costs (Annex 1)	(8,163)	(8,295)
Profit before taxation	1,957,744	30,554,693

This schedule does not form part of the audited financial statements.

Annex 1

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (cont'd)

	2022	2021
	S$	S$
Other operating expenses: -		
Audit fee	23,510	29,820
Bad debts written off	-	141,905
Bank charges	33,284	25,763
Business support expense	13,228	32,611
Contributions to pension fund and social fund	132	145
Depreciation of plant and equipment	35,665	7,612
Director's remuneration	489,123	489,123
Loss on exchange differences	602,526	-
General expenses	385,088	23,679
Insurance	29,840	15,112
Legal fees	6,509	5,723
Motor vehicle expense	33,597	-
Postage and telephone	12,685	8,025
Professional fees	389,287	324,928
Rental - accommodation	54,956	20,214
Repair and maintenance	14,814	-
Subscription fee	1,095	1,712
Salaries and bonuses	1,516,868	906,986
Travelling expenses	164,815	104,332
Utilities	2,760	551
	3,809,782	2,138,241
Finance costs:-		
Interest expenses on loan from subsidiary companies	8,163	8,295
Interest expenses on term loans	-	-
	8,163	8,295

This schedule does not form part of the audited financial statements.

ANNEXURE B

Tega Industries Canada Inc
Balance Sheet as at 31 March 2022

(All amounts in CAD, unless otherwise stated)

Particulars	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	70,408	86,118
Right-of-Use Assets	3(b)	167,658	228,910
Other intangible assets	3(c)	0	160
Financial assets			
Other financial assets	4	4,030	4,030
Deferred tax assets (net)	5	6,771	5,152
Other non-current assets	6	2,488	4,103
Total non-current assets		**251,355**	**328,473**
Current assets			
Inventories	7	2,201,084	2,126,264
Financial assets			
(i) Trade receivables and contract assets	8	3,087,405	2,211,733
(ii) Cash and cash equivalents	9	1,448,612	230,964
(iii) Other financial assets	10	-	1,000
Other current assets	11	50,923	41,683
Total current assets		**6,788,024**	**4,611,644**
Total assets		**7,039,379**	**4,940,117**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	50,000	50,000
Other equity	13	1,748,232	980,270
Total equity		**1,798,232**	**1,030,270**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	11,815	80,733
(ii) Lease Liabilities	3(b)	125,618	168,877
Total non-current liabilities		**137,433**	**249,610**
Current liabilities			
Financial liabilities			
(i) Borrowings	15	70,817	222,288
(ii) Lease Liabilities	3(b)	49,064	62,843
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	16	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	16	4,416,577	2,700,597
(iv) Other financial liabilities	17	213,487	157,669
Provisions	18	32,399	89,863
Current tax liabilities (net)	19	169,177	110,780
Other current liabilities	20	152,193	316,196
Total current liabilities		**5,103,714**	**3,660,236**
Total liabilities		**5,241,147**	**3,909,847**
Total equity and liabilities		**7,039,379**	**4,940,117**

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director

Director

Tega Industries Canada Inc
Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in CAD, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	21	13,060,269	9,129,868
Other income	22	204,525	253,169
Total income		**13,264,794**	**9,383,037**
Expenses			
Purchase of Stock in Trade	23	10,107,321	7,547,464
Changes in inventories of stock in trade	24	(74,820)	(535,007)
Employee benefits expense	25	1,141,619	1,067,406
Finance costs	26	14,473	3,391
Depreciation and amortisation expenses	27	92,724	116,417
Other expenses	28	927,831	433,652
Total expenses		**12,209,148**	**8,633,323**
Profit before exceptional items and tax		**1,055,646**	**749,714**
Exceptional Items		-	-
Profit before tax		**1,055,646**	**749,714**
Income tax expense			
- Current tax	29	289,303	110,780
- Deferred tax	29	(1,619)	98,187
Total tax expense/ (credit)		**287,684**	**208,967**
Total Profit for the year (A)		**767,962**	**540,747**
Other comprehensive income for the year, net of tax (B)		-	-
Total comprehensive income for the year (A+B)		**767,962**	**540,747**
Earnings Per equity share:			
Basic	33	15.36	10.81
Diluted	33	15.36	10.81

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

Tega Industries Canada Inc
Statement of Changes in Equity for the year ended 31 March 2022

(All amounts in CAD, unless otherwise stated)

A. Equity share capital

Description	Notes	Amount
As at 1 April 2020	13A	**50,000**
Changes during the year		-
As at 31 March 2021	13A	**50,000**
Changes during the period		-
As at 31 March 2022	13A	**50,000**

B. Other equity

Description	Notes	Reserve and surplus	Total other equity	Total
		Retained earning		
Balance as at 1 April 2021	**13B**	**980,270**	**980,270**	**980,270**
Profit for the year		767,962	767,962	767,962
Balance as at 31 March 2022		**1,748,232**	**1,748,232**	**1,748,232**

Description	Notes	Reserve and surplus	Total other equity	Total
		Retained earning		
Balance as at 1 April 2020	**13B**	439,523	439,523	439,523
Profit for the year		540,747	540,747	540,747
Balance as at 31 March 2021		**980,270**	**980,270**	**980,270**

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

Tega Industries Canada Inc
Statement of Cash Flows for the year ended 31 March 2022

(All amounts in CAD, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from Operating Activities		
Net Profit before tax	1,055,646	749,714
Adjustments for:		
Depreciation and amortisation expenses	92,724	116,417
Finance costs	14,473	3,391
Interest income	(4)	(75)
Allowance for expected credit loss (including bad debts and advances written off)	160,456	35,978
Liabilities/ Provisions no longer required written back	-	-
Net Loss on sale of property, plant and equipment	-	-
Provision for Warranty Expenses	-	-
Provision for slow moving/ non- moving and obsolete inventory		
Other non cash items		
Effect of unrealised exchange differences (3rd party)	(36,939)	19,242
Effect of unrealised exchange differences (related party)	(5,833)	112
Operating profit before working capital changes	**1,280,524**	**924,780**
Changes in Working Capital:		
(Increase)/ decrease in Non Current/ Current financial and other assets	(1,039,773)	880,590
(Increase)/decrease in inventories	(74,820)	(535,007)
Increase/ (decrease) in Non Current/ Current financial and other liabilities/ provisions	1,556,159	(1,237,681)
Cash Generated from Operations	**1,722,091**	**32,681**
Direct Taxes paid (net of refunds)	(230,906)	-
Net cash generated from operating activities	**1,491,185**	**32,681**
B. Cash flow from Investing Activities:		
Purchase of capital assets	(12,783)	(21,291)
Interest received	4	75
Net cash (used in) investing activities	**(12,779)**	**(21,216)**
C. Cash flow from Financing Activities		
Proceeds from long term borrowings	-	8,520
Repayment of long term borrowings	(10,390)	-
Proceeds from/ (repayment of) short term borrowings (net)	(210,000)	160,000
Finance cost paid	(7,107)	(541)
Finance cost paid on account of Lease Liability	(7,366)	(2,850)
Repayment of Lease Liability	(58,936)	(78,782)
Net cash (used in) financing activities	**(293,799)**	**86,347**

Net increase in cash and cash equivalents	**1,184,607**	**97,813**
Cash and cash equivalents at the beginning of the year	230,964	148,711
Cash & cash equivalents at the end of the year	**1,415,571**	**246,524**
Foreign Exchange (Gain)/Losses	(33,041)	15,560
Cash & cash equivalents at the end of the year	**1,448,612**	**230,964**

	31 March 2022	31 March 2021
Cash and Cash Equivalents comprise :		
Cash on hand	500	500
Balances with banks on current account	1,448,112	230,464
	1,448,612	**230,964**

Notes:

1. The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director

Director

Notes to the Special Purpose Financial Information

(All amounts in CAD, unless otherwise stated)

Note: 3(a) Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2021	Additions during the period	Disposals/ Adjustments during the period	As at 31 March 2022	As at 1 April 2021	For the period	Disposals/ Adjustments during the period	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Tangible assets										
(a) Buildings	16,338			16,338	15,293	1,044		16,337	1	1,045
(b) Plant and equipment	13,407	11,027		24,434	8,894	2,005		10,899	13,535	4,513
(c) Furniture and fixtures	11,413			11,413	4,527	1,919		6,446	4,967	6,886
(d) Vehicles - Owned	122,769			122,769	69,545	15,967		85,512	37,257	53,224
(e) Office equipment	47,937	1,756		49,693	27,483	7,562		35,045	14,648	20,450
Total	**211,864**	**12,783**		**224,647**	**125,742**	**28,497**		**154,239**	**70,408**	**86,118**

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2020	Additions during the year	Disposals/ Adjustments during the year#	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments during the year#	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible assets										
(a) Buildings	16,338			16,338	8,561	6,732		15,293	1,045	7,777
(b) Plant and equipment	13,407			13,407	7,766	1,128		8,894	4,513	5,641
(c) Furniture and fixtures	6,648	4,765		11,413	3,401	1,126		4,527	6,886	3,247
(d) Vehicles - Owned	122,769			122,769	47,389	22,156		69,545	53,224	75,380
(e) Office equipment	31,736	16,208	7	47,937	17,818	9,672	7	27,483	20,450	13,918
Total	**190,898**	**20,973**	**7**	**211,864**	**84,935**	**40,814**	**7**	**125,742**	**86,118**	**105,963**

(All amounts in CAD, unless otherwise stated)

Note 3(c): Other Intangible assets

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2021	Additions during the period	Disposals/ Adjustments during the period	As at 31 March 2022	As at 1 April 2021	For the period	Disposals/ Adjustments during the period	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021
Intangible assets										
Computer software	1,032		-	1,032	872	160	-	1,032	0	160
Total	**1,032**	**-**	**-**	**1,032**	**872**	**160**	**-**	**1,032**	**0**	**160**

Particulars	Gross Block				Amortisation				Net Block	
	As at 1 April 2020	Additions during the year	Disposals/ Adjustments during the year	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Intangible assets										
Computer software	712	320	-	1,032	712	160	-	872	160	-
Total	**712**	**320**	**-**	**1,032**	**712**	**160**	**-**	**872**	**160**	**-**

(All amounts in CAD, unless otherwise stated)

Note 3(b): Right-of-Use Assets

a) The company as a lessee
The Company 's significant leasing arrangements include assets dedicated for use under long-term arrangements for Vehicles and Office Space. Lease of vehicle have lease terms between 3 to 5 years and Office have lease term of 5years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. For leases recognised under long term arrangements involving use of a dedicated asset, non-lease components are excluded based on the underlying contractual terms and conditions.

b) Amounts recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	31 March 2022	31 March 2021
Right-of-use assets		
Office	147,004	186,141
Vehicle	20,655	42,769
Total	**167,659**	**228,910**

Particulars	31 March 2022	31 March 2021
Lease Liabilities		
Current	49,064	62,843
Non-Current	125,618	168,877
Total	**174,682**	**231,720**

c) Following are the changes in carrying value of right-of-use assets

Particulars	Right-of-Use Office Equipment	Right-of-Use Vehicle	Total Right-of-Use Assets
Opening Balance as at 1 April 2021	**303,077**	**92,019**	**395,096**
Additions during the year	-	26,533	26,533
Early Termination of ROU Assets	-	(23,718)	(23,718)
Assets disposed / discarded during the year	(110,503)	-	(110,503)
Balance as at 31 March 2022	**192,574**	**94,834**	**287,408**
			-
Accumulated depreciation as at 1 April 2021	**116,936**	**49,250**	**166,186**
Charge for the year#	39,137	24,929	64,066
Assets disposed / discarded during the year	(110,503)		(110,503)
Accumulated depreciation as at March 31, 2022	**45,570**	**74,179**	**119,749**
			-
Carrying amount Balance as at March 31, 2022	**147,004**	**20,655**	**167,659**

Particulars	Right-of-Use Office Equipment	Right-of-Use Vehicle	Total Right-of-Use Assets
Opening Balance as at 1 April 2020 (At cost)	**110,503**	**67,083**	**177,586**
Additions during the year	192,574	24,936	217,510
Assets disposed/ discarded during the year	-	-	-
Balance as at 31 March 2021 (At cost)	**303,077**	**92,019**	**395,096**
			-
Accumulated depreciation as at 1 April 2020	**63,169**	**27,576**	**90,745**
Charge for the year #	53,767	21,674	75,441
Assets disposed/ discarded during the year			-
Accumulated depreciation as at 31 March 2021	**116,936**	**49,250**	**166,186**
			-
Carrying amount Balance as at 31 March 2021	**186,141**	**42,769**	**228,910**

Included under Depreciation and Amortisation expense (Refer Note 27)

(d) Following are the changes in carrying value of lease liabilities

Particulars	31 March 2022	31 March 2021
Opening Balance	**231,720**	**92,992**
Additions during the year	26,533	217,510
Finance costs during the year	7,366	2,850
Early Cancellation of leases	(24,634)	
Lease payments during the year	(66,302)	(81,632)
Closing Balance	**174,682**	**231,720**

(e) Amounts recognised in the Statement of Profit and Loss

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	31 March 2022	31 March 2021
a. Depreciation charge of right-of-use assets (Refer Note 27)	64,066	75,441
b. Interest expense (included in finance costs) (Refer Note 26)	7,366	2,850
c. Expenses relating to short-term leases (included in other expenses) (Refer Note 28)	57,546	17,778
Total	**128,978**	**96,069**

(f) The company had a total cash outflow of CAD 66,302 for leases for the year ended 31 March 2022.

(g) Extension and termination options
Extension and termination options are included in the company 's lease contracts. These are used to maximise operational flexibility in terms of managing the assets used in the company 's operations. In majority of the lease contracts, the extension and termination options held are exercisable by mutual consent of both the lessor and the lessee and in few contracts, the option to terminate the lease is with lessee only.
For determining the lease term Land, Plant & Machinery, office Space and Office Equipments, the following factors are normally the most relevant:
• If there are significant penalty payments to terminate (or not extend), the company is typically reasonably certain to extend (or not terminate).
• If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
• Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.
During the previous year the holding company has entered into a long-term lease for an office space which contains further renewal options and only the holding company can terminate the lease giving 6 months notice. Considering the above factors, the termination option with the holding company and the expected period of use, the lease term has been determined as 60 years which is shorter than the contractual duration.

(h) Residual value guarantees
There are no residual value guarantees in relation to any lease contracts.

(All amounts in CAD, unless otherwise stated)

Note: 4 Other financial assets - non current

Particulars	31 March 2022	31 March 2021
Unsecured, considered good (unless otherwise stated)		
Security Deposits	4,030	4,030
Total	**4,030**	**4,030**

Note: 5 Deferred tax assets (net)

Particulars	31 March 2022	31 March 2021
The balance comprises temporary differences attributable to:		
Deferred tax assets		
Lease liabilities	46,291	61,406
Other temporary difference	4,910	4,407
Total	**51,201**	**65,813**
Deferred tax liabilities		
Right-of-Use assets	44,429	60,661
Total	**44,429**	**60,661**
Deferred tax assets (net)	**6,771**	**5,152**

Refer note 29 for tax expenses

(All amounts in CAD, unless otherwise stated)

Note: 6 Other non-current assets

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Prepaid expenses	2,488	4,103
Total	**2,488**	**4,103**

Note: 7 Inventories

Particulars	31 March 2022	31 March 2021
Stock in Trade	2,201,084	2,126,264
Total	**2,201,084**	**2,126,264**

Note: 8 Trade receivables and contract assets

Particulars	31 March 2022	31 March 2021
Current		
Trade Receivables		
(a) Unsecured, considered good	3,087,405	2,211,733
(b) Credit impaired	91,210	2,329
	3,178,615	2,214,062
Allowance for credit losses	(91,210)	(2,329)
Net Receivables	**3,087,405**	**2,211,733**
Contract assets		
(a) Unsecured, considered good		
	-	-
Allowance for credit losses		-
Net Contract Assets	-	-
Total	**3,087,405**	**2,211,733**

Trade receivables ageing schedule: (i) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good							-
Other than Related Party	2,665,980	421,425					**3,087,406**
Related Party							-
(ii) Undisputed Trade Receivables - credit impaired							-
Other than Related Party			73,894	14,987	2,329		**91,210**
Related Party							-
(iii) Disputed Trade Receivables - considered good							-
Less: Credit impaired good							-
Other than Related Party							
Related Party							-
Total	**2,665,980**	**421,425**	**73,894**	**14,987**	**2,329**	-	**3,178,615**

Trade receivables ageing schedule: (i) As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good							-
Other than Related Party	2,027,135	180,305	4,294				**2,211,734**
Related Party							-
(ii) Undisputed Trade Receivables - credit impaired							-
Other than Related Party			2,329				**2,329**
Related Party							-
(iii) Disputed Trade Receivables - considered good							-
Less: Credit impaired good							
Other than Related Party							-
Related Party							
Total	**2,027,135**	**180,305**	**6,623**	-	-	-	**2,214,062**

Note:
(i) There are no outstanding receivable due from directors or other officers of the company.
(ii) Refer note 31(A) for credit risk

(All amounts in CAD, unless otherwise stated)

Note: 9 Cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Cash on hand	500	500
Balances with banks		
In current accounts	1,448,112	230,464
Total	**1,448,612**	**230,964**

Note: 10 Other financial assets - Current

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Security deposit	-	1,000
Total	**-**	**1,000**

Note: 11 Other current assets

Particulars	31 March 2022	31 March 2021
Unsecured, considered good (unless otherwise stated)		
Prepaid expenses	32,631	34,354
Employee advances	18,291	7,329
Total	**50,923**	**41,683**

Note: 12 Equity share capital

(a) Authorised share capital

Particulars	Number of shares	Amount
As at 1 April 2020	**Unlimited**	**Unlimited**
Changes during the year	-	-
As at 31 March 2021	**Unlimited**	**Unlimited**
Changes during the period	-	-
As at 31 March 2022	**Unlimited**	**Unlimited**

(b) Issued, Subscribed and fully Paid -up Shares

Particulars	Number of shares	Amount
As at 1 April 2020	**50,000**	**50,000**
Changes during the year	-	-
As at 31 March 2021	**50,000**	**50,000**
Changes during the period	-	-
As at 31 March 2022	**50,000**	**50,000**

(c) Equity shares held by the holding company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Ordinary Shares				
Tega Industries Limited	50,000	100.00%	50,000	100.00%

(d) Details of the shareholders holding more than 5% of equity shares of the company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Ordinary Shares				
Tega Industries Limited	50,000	100.00%	50,000	100.00%

(e) Rights, preferences and restrictions attached to equity shares
The company has one class of equity shares having par value of CAD 1. All shares are fully paid up.The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote at meeting of the Company. In the event of winding up of the Company, ordinary shareholders are entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Ordinary Shares held by the share holders.

(f) Shares held by the promoters : (i) As at 31st March 2022

Promoter name	No. of shares	%of total shares	% change during the period
Ordinary Shares Tega Industries Limited	50,000	100.00%	NIL

(ii) As at 31st March 2021

Promoter name	No. of shares	%of total shares	% change during the period
Ordinary Shares Tega Industries Limited	50,000	100.00%	NIL

Tega Industries Canada Inc
Notes to the Special Purpose Financial Information

(All amounts in CAD, unless otherwise stated)

Note: 13 Other equity

Particulars	Refer below	31 March 2022	31 March 2021
Retained earnings	(i)	1,748,232	980,270
Total		**1,748,232**	**980,270**

Particulars	31 March 2022	31 March 2021
(i) Retained earnings		
Balance at the beginning of the period	980,270	439,523
Profit for the period	767,962	540,747
Balance at the end of the period	**1,748,232**	**980,270**

Nature and purpose of other equity

(i) Retained Earnings

Retained earnings are the profit that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

(All amounts in CAD, unless otherwise stated)

Note: 14 Borrowings - Non current

Secured	31 March 2022	31 March 2021
Secured		
Vehicle loans from banks (Refer (a) below)	24,103	36,390
Less: Current Maturities of Long Term Debt (Refer Note 15)	(12,288)	(12,288)
(a) Vehicle loans are secucred by hypothecation of the vehicle purchased and are interest-free. The loan of CAD 24,103 is repayable in equal bi-weekly instalments of CAD 472.60 each upto 2nd April, 2024.		
Total Secured Borrowings	**11,815**	**24,102**
Unsecured		
Term Loans (Refer (b) below)*	58,529	56,631
Less: Current Maturities of Long Term Debt (Refer Note 15)	(58,529)	
- RBC Credit Line under Canada Emergency Business Account		
(b) The loan is interest free upto 31st December, 2022 and is eligible for forgiveness of CAD 20,000, if the balance amount of CAD 40,000 is repaid by the said date.		
Total Unsecured Borrowings	**-**	**56,631**
Total	**11,815**	**80,733**

(All amounts in CAD, unless otherwise stated)

Note: 15 Borrowings - current

Particulars	31 March 2022	31 March 2021
Secured		
Cash Credit from Banks (Refer (a) below)	-	210,000
Current Maturities of Long Term Debt		
Term Loan	58,529	-
Vehicle loan from banks	12,288	12,288
Total	**70,817**	**222,288**

(a) Secured by hypothecation of inventory, trade receivables, equipments and other movable assets. Interest rate is 3.3% ; 2021 - 3.3%)

Tega Industries Canada Inc
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(All amounts in CAD, unless otherwise stated)

Note: 16 Trade payables

Particulars	31 March 2022	31 March 2021
Total outstanding dues of creditors other than micro enterprises and small enterprises		
(i) Acceptances		
(ii) Others	4,416,577	2,700,597
Total	**4,416,577**	**2,700,597**

Trade payables ageing schedule: (i) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises							-
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises							-
Other than Related Party	27,346	71,401	5,562				**104,309**
Related Party		2,138,719	2,173,550				**4,312,268**
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**27,346**	**2,210,120**	**2,179,112**	**-**	**-**	**-**	**4,416,577**

Trade payables ageing schedule: (i) As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises							-
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises							-
Other than Related Party	2,111	47,200	8,747				**58,058**
Related Party		2,642,539					**2,642,539**
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**2,111**	**2,689,739**	**8,747**	**-**	**-**	**-**	**2,700,597**

Note: 17 Other financial liabilities- current

Particulars	31 March 2022	31 March 2021
Other payables		
Employee related liabilities	213,487	157,669
Total	**213,487**	**157,669**

Note: 18 Provisions - current

Particulars	31 March 2022	31 March 2021
Provision for employee benefits		
Provision for compensated absences	32,399	89,863
Total	**32,399**	**89,863**

Note: 19 Current tax liabilities (net)

Particulars	31 March 2022	31 March 2021
Provision for income tax (net of advances)	169,177	110,780
Total	**169,177**	**110,780**

Note: 20 Other current liabilities

Particulars	31 March 2022	31 March 2021
Advances received from customers	84,033	120,550
Other payables		
Statutory dues (Contribution to PF and ESIC, GST, Withholding Taxes, Entry Tax, etc.)	68,160	195,646
Total	**152,193**	**316,196**

(All amounts in CAD, unless otherwise stated)

Note: 21 Revenue from operations

Particulars	31 March 2022	31 March 2021
Revenue from operations		
Sale of products	13,060,269	9,129,868
Total	**13,060,269**	**9,129,868**

(i) Disaggregation of revenue from contracts with customers:

The company derives revenue from the transfer of goods and services in the following geographical regions:

Particulars	31 March 2022	31 March 2021
CANADA	13,060,269	9,129,868
Total	**13,060,269**	**9,129,868**

(ii) The company has recognised the following revenue-related contract assets and liabilities:

Particulars	31 March 2022	31 March 2021
Contract assets	-	
Total contract assets	**-**	**-**
Contract liabilities - Advance from customers	84,033	120,550
Total contract liabilities	**84,033**	**120,550**

(iii) Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

Particulars	31 March 2022	31 March 2021
Revenue recognised that was included in the contract liabilities balance at the beginning of the period:		
Sale contracts	120,550	31,887

Note: 22 Other income

Particulars	31 March 2022	31 March 2021
(a) Interest income		
on financial instruments at amortised cost	4	75
(b) Other non-operating income		
Government grant on account of Covid-19	211,138	209,920
Net gain on foreign currency transaction and translations	(54,999)	(62,077)
Miscellaneous receipts	48,382	105,252
Total	**204,525**	**253,169**

(All amounts in CAD, unless otherwise stated)

Note: 23 Purchase of Stock in Trade

Particulars	31 March 2022	31 March 2021
Purchases	10,107,321	7,547,464
Total	**10,107,321**	**7,547,464**

Note: 24 Changes in inventories of stock in trade

Particulars	31 March 2022	31 March 2021
Inventories at the end of the yera:		
Stock in trade	2,201,084	2,126,264
	2,201,084	**2,126,264**
Less : Inventories at the beginning of the year:		
Stock in trade	2,126,264	1,591,257
	2,126,264	**1,591,257**
(Increase)/decrease in stock in trade	(74,820)	(535,007)
(Increase)/decrease in stock in trade	**(74,820)**	**(535,007)**

(All amounts in CAD, unless otherwise stated)

Note: 25 Employee benefits expense

Particulars	31 March 2022	31 March 2021
Salaries and wages	1,005,986	936,813
Contribution to pension and other funds	73,587	77,256
Staff welfare expenses	62,046	53,337
Total	**1,141,619**	**1,067,406**

Note: 26 Finance costs

Particulars	31 March 2022	31 March 2021
Interest expense on		
Leases	7,366	2,850
Bank Borrowings and Others	7,107	541
Total	**14,473**	**3,391**

Note: 27 Depreciation and amortisation expenses

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment [refer note 3(a)]	28,498	40,816
Depreciation of Right of Use of Asset [refer note 3(b)]	64,066	75,441
Amortisation of intangible assets [refer note 3(d)]	160	160
Total	**92,724**	**116,417**

Note: 28 Other expenses

Particulars	31 March 2022	31 March 2021
Rent	57,546	17,778
Repairs to others	12,989	20,874
Insurance expenses	53,497	53,579
Bank charges	8,789	8,720
Rates and taxes	142	-
Travelling and conveyance	230,107	104,298
Packing and forwarding (net)	146,714	-
Product installation expenses	-	9,186
Postage, telephone and fax	28,342	20,805
Sales promotion expenses	16,211	17,181
Professional fees	30,347	23,681
Allowance for expected credit loss (including bad debts and advances written off) [refer note 31]	160,456	35,978
Miscellaneous expenses	182,690	121,572
Total	**927,831**	**433,652**

Tega Industries Canada Inc

Notes to the Special Purpose Financial Information

(All amounts in CAD, unless otherwise stated)

Note: 29 Income tax expense

(a) Movement in deferred tax liability/ (assets)

Particulars	Loan Liability	Right-of-Use Assets	Accumulated Losses	Amounts allowable for tax purpose on payment basis	Lease Liabilities	Others	Total
At 1 April 2020	**-**	**26,052**	**-101,494**	**0**	**-27,897**	**-**	**(103,339)**
Charged/ (credited):							
- to profit or loss #	(4,407)	34,609	101,494	-	(33,508)	-	98,187
- to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2021	**(4,407)**	**60,661**	**-**	**-**	**(61,406)**	**-**	**(5,152)**
At 1 April 2021	**(4,407)**	**60,661**	**-**	**-**	**(61,406)**	**-**	**(5,152)**
Charged/ (credited):							
- to profit or loss #	(503)	(16,232)	-	-	15,115	-	(1,620)
- to other comprehensive income	-	-	-	-	-	-	-
At 31 March 2022	**(4,910)**	**44,429**	**-**	**-**	**(46,291)**	**-**	**(6,771)**

(b) Income Tax Expense

Particulars	31 March 2022	31 March 2021
Current tax		
Current tax on profits for the period	289,303	110,780
Adjustments for current tax of prior periods		
Total current tax expense	**289,303**	**110,780**
Deferred tax		
Decrease/ (increase) in deferred tax assets	(1,619)	98,187
(Decrease)/ increase in deferred tax liabilities		
Exchange difference on translation		
Total deferred tax expense/ (benefit)	**(1,619)**	**98,187**
Total tax expense/ (credit)	**287,684**	**208,967**

(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2022	31 March 2021
Profit before tax	1,055,646	749,714
Tax on above calculated at rates applicable to the company 26.5% (2021: 26.5%)	**279,746**	**198,674**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax benefit on losses for which deferred tax asset was not created	-	(95,643)
Items on which deferred tax asset has been recognised	(1,619)	98,187
Others	9,557	7,749
Total tax expense/ (credit)	**287,684**	**208,967**

(All amounts in CAD, unless otherwise stated)

Note: 30 Fair value measurements

Financial instruments by category

Particulars	31 March 2022		31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	3,087,405	-	2,211,733
Cash and cash equivalents	-	1,448,612	-	230,964
Other financial assets	-	4,030	-	5,030
Total financial assets	**-**	**4,540,047**	**-**	**2,447,727**
Financial liabilities				
Borrowings	-	82,631	-	303,021
Trade payables	-	4,416,577	-	2,700,597
Other financial liabilities	-	-	-	-
Total financial liabilities	**-**	**4,499,208**	**-**	**3,003,619**

Note: 31 Financial risk management

The company 's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets and other financial assets measured at amortised cost.	Diversification of bank deposits and investments. Entering into transactions with customers of repute / customers having sound financial position.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets and liabilities not denominated in Indian rupee (INR).	Entering into forward contracts, options and interest rate swaps.
Market risk – interest rate	Long-term borrowings at variable rates.	Entering into derivative contracts such as interest rate swaps and currency swaps.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) including deposits with banks, investments and other financial instruments. The company periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables.

i) Trade receivables and contract assets

Customer credit risk is managed by the management subject to the company 's established policy, procedures and control relating to customer credit risk management. Trade receivables and contract assets are non-interest bearing. Outstanding customer receivables are regularly monitored.

At each reporting date the company measures loss allowance for certain class of financial assets based on historical trend industry practice and the business environment in which the company operates.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and investments is managed by the company in accordance with the company 's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company 's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 is the carrying amounts of trade receivables and contract assets, investments, balances with bank and other financial assets.

Provision for expected credit loss

In determination of the allowance for credit losses on receivables, the company has used a practical experience by computing the expected credit losses based on provision matrix, which has taken into account historical credit loss experience and adjusted for forward looking information. The company also analyses all its receivables periodically for recoverability assessment and wherever they have analysed that the receivable may be credit impaired on account of non recoverability, loss allowance on such receivables have been provided in full.

Details of allowances for expected credit loss are provided hereunder :-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
At the beginning of the year	2,329	0
Provisions created/ (written back) during the period (net)(a)	88,881	2,329
Closing at the end of the year	**91,210**	**2,329**
Bad debts and advances written off (b)	71,575	33,650
Total Charge to Statement of Profit & Loss (a+b)	160,456	35,979

(All amounts in CAD, unless otherwise stated)

Note: 31 Financial risk management (continued)
(B) Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company 's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities
The tables below analyse the company 's financial liabilities into relevant maturity company ings based on their contractual maturities:
The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities 31 March 2022	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Borrowings - Other than Related Party	**82,631**	82,631	70,817	11,815		
Borrowings - Related Party						
Lease Liabilities	**174,682**	185,591	50,979	97,905	36,707	
Trade payables - Other than Related Party	**104,309**	104,308	104,308			
Trade payables - Related Party	**4,312,268**	4,312,268	4,312,268			
Total non-derivative financial liabilities	**4,673,891**	**4,684,798**	**4,538,372**	**109,720**	**36,706.60**	**-**

** Based on closing rates

Contractual maturities of financial liabilities 31 March 2021	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Borrowings - Other than Related Party	**303,021**	306,390	210,000	96,390	-	-
Borrowings - Related Party						
Lease Liabilities	**231,719**	249,447	63,856	99,304	86,287	-
Trade payables - Other than Related Party	**58,058**	58,058	58,058	-	-	-
Trade payables - Related Party	**2,642,539**	2,642,539	2,642,539	-	-	-
Total non-derivative financial liabilities	**3,235,337**	**3,256,434**	**2,974,453**	**195,694**	**86,287**	**-**

** Based on closing rates

(All amounts in CAD, unless otherwise stated)

Note: 31 Financial risk management (continued)
(C) Market risk

(i) Foreign currency risk
The company deals with foreign currency bank accounts, trade receivables and contract assets, borrowings, trade payables and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The company primarily uses derivatives to hedge its risk against foreign currency balances of borrowings, trade payables, trade receivables and contract assets. Such exposures are managed within approved policy parameters utilising foreign exchange forward contracts and options. Further, the company also has variable interest rate loan in foreign currency. To manage its risk against interest rate movements the company has taken an interest rate swap. The company also enter into derivative contracts to hedge forecast sales and purchase transactions using forward contracts.

Foreign currency risk exposure
The company 's exposure to foreign currency risk for major currencies at the end of the reporting period expressed in USD (foreign currency amount multiplied by closing rate), are as follows:-

Particulars	31 March 2022						
	AUD	CAD	EUR	USD	ZAR	GBP	GHS
Financial assets							
Trade receivables and contract assets							
Other than Related Party				23,947			
Bank balances				597,492			
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**621,439**	**-**	**-**	**-**
Financial liabilities							
Trade and other payables							
Related Party				(356,309)			
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**-**	**(356,309)**	**-**	**-**	**-**
Net exposure	**-**	**-**	**-**	**265,130**	**-**	**-**	**-**

Particulars	31 March 2021						
	AUD	CAD	EUR	USD	ZAR	GBP	GHS
Financial assets							
Trade receivables and contract assets							
Other than Related Party				67,892			
Bank balances				207,186			
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**275,079**	**-**	**-**	**-**
Financial liabilities							
Trade and other payables							
Related Party				(58,951)			
Net exposure to foreign currency risk (liabilities)	**-**	**-**	**-**	**(58,951)**	**-**	**-**	**-**
Net exposure	**-**	**-**	**-**	**216,127**	**-**	**-**	**-**

Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax						
	AUD	CAD	EUR	USD	ZAR	GBP	GHS
31 March 2022							
CAD appreciates by 5%*	-	-	-	*(13,257)*	-	-	-
CAD depreciates by 5%*	-	-	-	*13,257*	-	-	-
31 March 2021							
CAD appreciates by 5%*	-	-	-	(10,806)	-	-	-
CAD depreciates by 5%*	-	-	-	*10,806*	-	-	-

* Holding all other variables constant

(All amounts in CAD, unless otherwise stated)

Note: 31 Financial risk management (continued)
(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company 's exposure to the risk of changes in market interest rates relates primarily to the company 's long-term debt obligations with floating interest rates.

The company 's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk.

The company 's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

On Financial Liabilities:
The exposure of the company 's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2022	31 March 2021
Variable rate borrowings	-	
Fixed rate borrowings	82,631	303,021
Total borrowings	**82,631**	**303,021**

(b) Sensitivity
Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax	
	31 March 2022	31 March 2021
Interest expense rates – increase by 50 basis points (50 bps)*	-	-
Interest expense rates – decrease by 50 basis points (50 bps)*	-	-

* Holding all other variables constant

(All amounts in CAD, unless otherwise stated)

Note: 32 Capital management

(a) Risk management

The company 's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company 's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividends paid and proposed

Particulars	31 March 2022	31 March 2021
The Company has not declared/paid any dividend on equity shares for the year ended 31 March, 2022 and 31 March, 2021	-	-
	-	-

Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents	1,448,612	230,964
Non-current borrowings	(11,815)	(80,733)
Current borrowings	(70,817)	(222,288)
Lease Liabilities	(174,682)	(231,720)
Net Derivative Liabilities (Swap and Option)	-	-
Interest accrued on long term borrowings	-	-
Interest accrued on short term borrowings	-	-
Total	**1,191,299**	**(303,777)**

Particulars	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease Liabilities	Total
Net debt as at 1 April 2021*	**230,964**	**(93,021)**	**(210,000)**	**(231,719)**	**(303,777)**
Cash flows	1,250,689	10,390	210,000	-	1,471,079
Acquisition of lease	-	-	-	(26,533)	(26,533)
Termination of Lease				24,634	
Principal repayment of lease	-	-	-	58,936	58,936
Interest expense	-	(7,107)		(7,366)	(14,473)
Interest paid	-	7,107		7,366	14,473
Repayment of Loan					
Non-cash movements:					
Unrealised foreign exchange	(33,041)	-	-	-	(33,041)
Others Adjustment for lease	-	-	-	-	-
Net debt as at 31 March 2022*	**1,448,612**	**(82,631)**	**(0)**	**(174,682)**	**1,191,299**

*balances include interest accrued on borrowings

Particulars	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	Non-current borrowings	Current borrowings	Lease Liabilities	Total
Net debt as at 1 April 2020	148,711	(95,723)	(50,000)	(92,992)	(90,004)
Cash flows	66,693			-	66,693
Acquisition of Lease	-	-	-	(217,510)	(217,510)
Principal Repayment of Lease	-	-	-	78,782	78,782
Interest expense	-	-		(2,850)	(2,850)
Interest paid	-	541		2,850	3,391
Repayment of Loan		2,161	(160,000)		
Non-cash movements:					
Unrealised foreign exchange	15,560	-	-	-	15,560
Others Adjustment for lease	-	-	-	-	-
Net debt as at 31 March 2021*	**230,964**	**(93,021)**	**(210,000)**	**(231,719)**	**(303,777)**

*balances include interest accrued on borrowings

(All amounts in CAD, unless otherwise stated)

Note: 33 Earnings per share

	Particulars	31 March 2022	31 March 2021
	Computation of Earnings for Equity Shares		
A	Net Profit attributable to the shareholders of the company	767,962	540,747
B	Weighted average number of equity shares outstanding during the period other than which are dilutive	50,000	50,000
C	Effect of equity shares which are dilutive	-	
D = (B+C)	Weighted average number of equity shares outstanding during the period (dilutive)	50,000	50,000
	Earnings per equity share		
A/B	Earnings per share - Basic	15.36	10.81
A/D	Earnings per share - Diluted	15.36	10.81

Tega Industries Canada Inc
Notes to the Special Purpose Financial Information

(All amounts in CAD, unless otherwise stated)

Note: 34 Related party Transaction

Related party disclosure pursuant to Ind AS 24 prescribed under the act

Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Nihal Fiscal Services Private Limited (incorporated in India)
Holding Company	Tega Industries Limited (TIL) (Subsidiary of Nihal Fiscal Services Private Limited)
Fellow Subsidiaries	Tega Industries Inc, USA (TII) Tega Holdings Pte Ltd. (THPTE) (including Tega Peru Branch) Tega Industries Australia Pty Ltd, Australia (TIAPL) Tega Do Brasil Servicos Technicos Limitda, Brasil (TDBSTL) Tega Investment Limited, Bahamas (TIBL) Losugen Pty Ltd, Australia (LPL) Tega Holdings Pty Ltd, Australia (THPTY) Tega Investment South Africa Pty Ltd, South Africa (TISAPL) Tega Industries Africa Pty Ltd, South Africa (TIAPL) Tega Industries Chile SpA (TICS) Edoctum S.A, Chile Edoctum Peru S.A.C, Peru
Joint Venture	Hosch Equipment (India) Limited (Joint Venture of Tega Industries Limited)
Key Management Personnel (KMP)	Madan Mohan Mohanka - Chairman and Wholetime Director Mehul Mohanka - Managing Director Syed Yaver Imam - Executive Director (from 1 April 2021)

Note: Related parties have been identified by the Management.

Details of related party transactions for the period ended 31 March 2022 and balances outstanding as at 31 March 2022:

Particulars	TIL	THPL	TIAPL	TICS	TDBSTL	TII	Total
Purchase of Goods	9,642,678						9,642,678.30
Recovery of Expenses	256,081						256,080.66
Business Support Service Expense	189						189.00
Balances outstanding at the end of the period							
Trade Payables	4,312,269						4,312,269

Details of related party transactions for the year ended 31 March 2021 and balances outstanding as at 31 March 2021:

Particulars	TIL	THPL	TIAPL	TICS	TDBSTL	TII	Total
Purchase of Goods	7,071,483	3,192					7,074,675
Recovery of Expenses	491,858						491,858
Business Support Service Expenses	1,302						1,302
Balances outstanding at the end of the year							
Trade Payables	2,639,347	3,192					2,642,539

Note: 35 Relationship with Struck off Companies

The Company does not have any transactions/outstanding balances including investments in securities with any companies struck off under the Companies Act, 2013.

Note: 36 Transaction in Crypto Currency

The Company has not traded or invested in Crypto Currency or virtual currency during the financial year.

Note: 37

The Company has not during the year and previous year advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not during the year and previous year received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For and on behalf of Board of Directors

Director Director

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Private and confidential
The Directors
Tega Industries Australia Pty Ltd
6/57 Kent Street
Cannington WA 6107

Our ref 48490620_1

Contact Agnes Vacca, 9263 7211
Cheryl Lim, 9263 7595

22 June 2022

Dear Sirs

2022 Annual Financial Report

We enclose financial statements for the year ended 31 March 2022 for Tega Industries Australia Pty Ltd ('Tega'), which have been prepared on the basis of information provided to us.

Please arrange for signatures where indicated and draw to the attention of the directors of the company ('the directors') signing the financial statements, the exact nature of the statements which are being made. At the same time, the directors should satisfy themselves that the financial statements are correct.

Issues arising during preparation

We have summarised below the significant issues identified during the preparation of the financial statements.

Recognition of deferred tax asset on unused tax losses

Under *AASB 112 Income Taxes*, a deferred tax asset is recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and tax losses can be utilised.

Based on our previous discussions with you, as well as the group's profitability forecasts performed by management, we understand that the directors anticipate the group will be able to recover all carry forward tax losses against future taxable profits.

In accordance with the above, the financial statements have been prepared on the basis that a deferred tax asset representing the deductible temporary differences and estimated tax losses for the year ended 31 March 2022 is to be recognised.

Notwithstanding the above, the recognition of a deferred tax asset is an accounting judgment that the directors will need to determine and may need to discuss with the auditors.

Capital/non-deductible amounts

We have relied on the assumption that no capital items have been expensed in the profit and loss statement unless we have been informed otherwise. As a result, we have not performed a detailed review of the supporting documentation for these accounts.

In addition, we have not undertaken a detailed examination of all general ledger accounts to determine whether expenses may be non-deductible. Rather, we have relied on the information provided to us and the systems implemented by the consolidated group to ensure that expenditure is correctly allocated to general ledger accounts to ensure that non-deductible items are correctly identified.

Employee obligations

We have not reviewed the company's compliance with the PAYG withholding, superannuation guarantee, payroll tax or workers compensation legislation. If you would like us to undertake a review of the company's compliance, please contact us.

Record keeping requirements

We have not reviewed the company's compliance with the record keeping requirements of the income tax legislation.

If you would like any assistance or further advice on any of these issues, please call us.

Terms of engagement

The terms of our engagement are outlined in our engagement letter dated 31 March 2022.

Should you have any queries in relation to the above, please contact Cheryl Lim or myself.

Yours sincerely

Agnes Vacca
Partner

Enclosures:
2022 Annual Financial Report
2022 Tax Provision Calculations

Tega Industries Australia Pty Ltd

ABN 72 100 864 944

Special Purpose Financial Report

For the financial year ended 31 March 2022

Con en s

Tega Industries Australia Pty Ltd
ABN 72 100 864 944

Compilation Report

We have compiled the accompanying special purpose financial statements of Tega Industries Australia Pty Ltd which comprise the Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 March 2022, the Statement of Financial Position as at 31 March 2022 and Statement of Changes in Equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

THE RESPONSIBILITY OF THE DIRECTORS

The Directors of Tega Industries Australia Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

OUR RESPONSIBILITY

On the basis of information provided by the Directors of Tega Industries Australia Pty Ltd we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Directors of Tega Industries Australia Pty Ltd.

To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than Tega Industries Australia Pty Ltd, may suffer arising from any negligence on our part.

No person should rely on the special purpose financial statements without having an audit or review conducted.

KPMG
Dated:

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Revenue	2	10,684,333	8,402,148
Cost of Sales		(8,601,364)	(6,969,300)
Depreciation and Amortisation Expenses		(55,591)	(68,476)
Employment Expenses		(708,848)	(530,851)
Impairment Losses		-	(203,625)
Financing Costs		(213)	(1,016)
Other Operating Expenses		(549,006)	(652,731)
PROFIT/(LOSS) BEFORE INCOME TAX		769,312	(23,850)
Income Tax		130,897	30,759
PROFIT AFTER INCOME TAX		900,209	6,909
TOTAL COMPREHENSIVE INCOME		900,209	6,909

Statement of Financial Position

As at 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	465,808	340,406
Trade and Other Receivables	4	2,867,740	3,219,112
Inventories	5	795,279	1,171,495
Other Current Assets	6	14,500	9,001
TOTAL CURRENT ASSETS		4,143,326	4,740,013
NON CURRENT ASSETS			
Property, Plant and Equipment	7	186,376	179,871
Deferred Tax Assets		276,216	145,317
Other Non Current Assets	6	1,767	1,767
TOTAL NON CURRENT ASSETS		464,358	326,954
TOTAL ASSETS		4,607,684	5,066,967
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	2,506,051	3,866,478
Borrowings	9	-	24,537
Provisions	10	59,636	51,628
TOTAL CURRENT LIABILITIES		2,565,687	3,942,643
NON CURRENT LIABILITIES			
Provisions	10	55,408	37,945
TOTAL NON CURRENT LIABILITIES		55,408	37,945
TOTAL LIABILITIES		2,621,095	3,980,587
NET ASSETS		1,986,589	1,086,380
EQUITY			
Share Capital	11	85,000	85,000
Retained Earnings	12	1,901,589	1,001,380
TOTAL EQUITY		1,986,589	1,086,380

Statement of Changes in Equity

As at 31 March 2022

	Note	Share Capital $	Retained Earnings $	Total $
BALANCE AT 1 APRIL 2020		85,000	994,471	1,079,471
Current Year Earnings		-	6,909	6,909
BALANCE AT 31 MARCH 2021		85,000	1,001,380	1,086,380
Current Year Earnings		-	900,209	900,209
BALANCE AT 31 MARCH 2022		85,000	1,901,589	1,986,589

Notes to the Financial Statements

For the year ended 31 March 2022

Note 1 Accounting Policies

BASIS OF PREPARATION

Tega Industries Australia Pty Ltd ("the Company"), is a Company limited by shares, incorporated and domiciled in Australia.

In the opinion of the Directors, the Company is not publicly accountable nor a reporting entity. The special purpose financial statements have been prepared for distribution to the Shareholders.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

STATEMENT OF COMPLIANCE

Unless otherwise noted, the special purpose financial statements have been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The financial statements do not include the disclosure requirements of applicable AASB's, except for the following:

- AASB 101: Presentation of Financial Statements (excluding cash flow statements)
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048: Interpretation of Standards

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Directors on the same date as the signing of the Directors' declaration.

BASIS OF MEASUREMENT

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

FUNCTIONAL & PRESENTATION CURRENCY

The financial statements are presented in Australian dollars, which is the Company's functional currency.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to the end of the reporting date to the date of issue of this report.

INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relate to items recognised directly in equity or in other comprehensive income ("OCI").

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax liability arising from dividends.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset only if certain criteria are met.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related benefit will be realised.

Tax Exposures

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value.

PROPERTY PLANT & EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment excluding freehold land, is depreciated over the asset's useful life to the Company commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over their estimated useful life.

LEASES

The Company initially applied AASB 16 Leases using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 17 and AASB Interpretation 4.

Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 April 2019.

AS A LESSEE

The Company recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurements of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Non-lease components

At inception or on modification of a contract that contains a lease component, the Company has chosen to combine lease and any associated non-lease components and account for them as lease components.

AS A LESSOR

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rental income'.

FINANCIAL INSTRUMENTS

I) RECOGNITION AND INITIAL MEASUREMENT

Unless otherwise noted below, all financial assets and financial liabilities are initially recognised when the Company becomes party to the contractual provisions of the instrument.

Trade receivables are initially recognised when they are originated.

A financial asset or financial liability is initially measured at fair value plus, for an item not measured at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

The exception to this is a trade receivable without a significant financing component which is initially measured at its transaction price.

II) CLASSIFICATION AND SUBSEQUENT MOVEMENT

Financial Assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt investment;
- FVOCI - equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held on the basis of different classes of assets. The objectives of the business are considered when determining the business model type.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

IMPAIRMENT OF ASSETS

At the end of each reporting period the Company determines whether there is evidence of impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

EMPLOYEE BENEFITS

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

PROVISIONS

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of change in value.

REVENUE & OTHER INCOME

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

A) SALE OF GOODS

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns.

Customers obtain control of products when the goods are delivered and have been accepted at their premises. Invoices are generated at that point in time.

B) RENDERING OF SERVICES

Revenue is recognised over time if:

- The customer simultaneously receives and consumes the benefits as the Company performs;
- The customer controls the asset as the Company creates or enhances it; or
- The Company's performance does not create an asset for which they have an alternative use and there is an enforceable right to payment for performance to date.

C) INTEREST REVENUE

Interest revenue is recognised when received.

D) OTHER INCOME

Other income is recognised on an accruals basis when the Company is entitled to it.

GOODS AND SERVICES TAX (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

COMPARATIVE AMOUNTS

Comparatives are consistent with prior years, unless otherwise stated.

Notes to the Financial Statements

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Note 2 Revenue and Other Income			
REVENUE			
Interest received		7	62
Other revenue		141,922	119,764
Foreign currency exchanges		(24,255)	86,403
Sales		10,566,660	8,195,920
TOTAL REVENUE		10,684,333	8,402,148
Note 3 Cash and Cash Equivalents			
Cheque account		465,808	340,406
TOTAL CASH AND CASH EQUIVALENTS		465,808	340,406
Note 4 Trade and Other Receivables			
CURRENT			
Sundry Debtors		1,369	1,500
TRADE DEBTORS			
Trade Debtors		3,007,088	3,480,562
Less: Provision for Doubtful Debts		(140,718)	(262,951)
TOTAL TRADE DEBTORS		2,866,370	3,217,612
TOTAL CURRENT TRADE AND OTHER RECEIVABLES		2,867,740	3,219,112
Note 5 Inventories			
Stock on Hand		892,989	1,262,051
Less Provision for Obsolete Stock		(97,710)	(90,556)
TOTAL INVENTORIES		795,279	1,171,495
Note 6 Other Assets			
CURRENT			
Prepayments		14,500	9,001
TOTAL OTHER CURRENT ASSETS		14,500	9,001
NON CURRENT			
Deposits paid		1,767	1,767
TOTAL OTHER NON CURRENT ASSETS		1,767	1,767

Notes to the Financial Statements

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Note 7 Property, Plant and Equipment			
RIGHT OF USE ASSET			
Right of use asset		-	87,679
Less accumulated depreciation		-	(65,760)
TOTAL RIGHT OF USE ASSET		-	21,919
OFFICE FITOUT			
Office fitout		47,792	47,792
Less accumulated depreciation		(15,537)	(14,126)
TOTAL OFFICE FITOUT		32,254	33,665
EQUIPMENT AND FURNITURE			
Equipment and furniture		196,394	134,299
Less accumulated depreciation		(117,781)	(106,804)
TOTAL EQUIPMENT AND FURNITURE		78,613	27,495
MOTOR VEHICLES			
Motor vehicles		231,466	231,466
Less accumulated depreciation		(155,957)	(134,674)
TOTAL MOTOR VEHICLES		75,509	96,791
TOTAL PROPERTY, PLANT AND EQUIPMENT		186,376	179,871
Note 8 Trade and Other Payables			
CURRENT			
Advanced customer deposits		109,519	43,288
Trade Creditors		2,094,736	3,735,699
Other payables		109,247	51,076
Goods and services tax		175,651	27,061
FBT payable		5,768	2,017
PAYG Withheld		11,130	7,336
TOTAL CURRENT TRADE AND OTHER PAYABLES		2,506,051	3,866,478
Note 9 Borrowings			
CURRENT			
Lease liability		-	24,537
TOTAL CURRENT BORROWINGS		-	24,537

Notes to the Financial Statements

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Note 10 Provisions			
CURRENT			
Provision for annual leave		56,401	49,233
Provision for payroll tax		3,235	2,395
TOTAL CURRENT PROVISIONS		59,636	51,628
PROVISIONS			
Provision for long service leave		55,408	37,945
TOTAL PROVISIONS		55,408	37,945
Note 11 Share Capital			
Opening balance		85,000	85,000
TOTAL SHARE CAPITAL		85,000	85,000
Note 12 Retained Earnings			
Opening Balance		1,001,380	994,471
Current Year Earnings		900,209	6,909
TOTAL RETAINED EARNINGS		1,901,589	1,001,380

Directors' Declaration

In the opinion of the Directors of Tega Industries Australia Pty Ltd (the "Company"):

a) The Company is not publicly accountable nor a reporting entity;

b) The financial statements and notes, as set out in these financial statements, are prepared in accordance with the basis of accounting described in Note 1, and other mandatory reporting requirements, so as to present fairly the financial position of the Company as at 31 March 2022 and its performance, as represented by the results of its operations for the financial year ended on that date; and

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In respect of the year ended 31 March 2022 the Company has:

a) Kept such accounting records as to correctly record and explain its transactions and financial position;

b) Kept its accounting records so that a true and fair financial report of the Company can be prepared from time to time; and

c) Kept its accounting records so that the financial report of the Company can be conveniently and properly audited or reviewed in accordance with the Corporations Act 2001.

Signed in accordance with a resolution of the Directors.

Joe Viranna

Satyamurti Joe Viranna
Director
Date: 22/06/2022

Detailed Operating Statement

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
REVENUE			
Interest received		7	62
Other revenue		141,922	119,764
Foreign currency exchanges		(24,255)	86,403
Sales		10,566,660	8,195,920
TOTAL REVENUE		10,684,333	8,402,148
COST OF SALES			
Opening Stock		1,262,051	1,882,942
Closing Stock		(892,989)	(1,262,051)
Purchases		8,232,302	6,348,409
TOTAL COST OF SALES		8,601,364	6,969,300
GROSS PROFIT		2,082,969	1,432,848
GROSS PROFIT %		19.50%	17.05%
EXPENSES			
Advertising & Marketing		50,664	58,469
Bad Debts Written Off		-	203,625
Bank Charges		548	186
Consultancy Fees		211,746	154,042
Contract work		545	3,215
Depreciation		55,591	68,476
Electricity		1,730	1,472
Employees' Amenities		838	697
Entertainment expenses		1,820	1,084
Freight & Cartage		232	14,128
Fringe Benefits Tax		23,072	23,074
Insurance		18,059	22,776
Interest Paid		213	1,016
Motor vehicle expenses		36,817	25,724
Payroll Tax		59,611	21,833
Printing & Stationery		2,444	3,076
Rent		20,950	7,200
Salaries & Wages		575,741	446,607
Staff Training & Welfare		10,092	1,099
Sundry Expenses		-	303
Superannuation Contributions		50,424	39,336
Telephone		10,519	17,387
Travelling Expenses		80,880	70,463
Uniforms		1,768	542
Professional Fees		26,759	15,141

Detailed Operating Statement

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Other		58,447	238,558
Repairs & Maintenance		14,149	17,171
TOTAL EXPENSES		1,313,657	1,456,699
PROFIT/(LOSS) BEFORE INCOME TAX		769,312	(23,850)

ANNEXURE D

Tega Investments Ltd
Balance Sheet as at 31 March 2022

(All amounts in USD, unless otherwise stated)

Particulars	Note	31 March 2022	31 March 2021
ASSETS			
Current assets			
Financial assets			
(i) Cash and cash equivalents	3	4,550	7,709
(ii) Loans	4	184,752	215,039
(iii) Other financial assets	5	12,163	6,125
Total current assets		**201,465**	**228,873**
Total assets		**201,465**	**228,873**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	50,000	50,000
Other equity	7	149,220	176,628
Total equity		**199,220**	**226,628**
Liabilities			
Current liabilities			
Financial liabilities			
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	8	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	8	2,245	2,245
Total current liabilities		**2,245**	**2,245**
Total liabilities		**2,245**	**2,245**
Total equity and liabilities		**201,465**	**228,873**

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

Tega Investments Ltd
Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in USD, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	9	6,038	14,947
Other income	10	(172)	993,965
Total income		**5,866**	**1,008,912**
Expenses			
Finance costs	11	-	16,275
Other expenses	12	2,987	2,282
Total expenses		**2,987**	**18,557**
Profit before exceptional items and tax		**2,879**	**990,355**
Exceptional Items		-	-
Profit before tax		**2,879**	**990,355**
Income tax expense			
- Current tax	13	30,287	-
- Deferred tax	13	-	-
Total tax expense/ (credit)		**30,287**	**-**
Total Profit for the period (A)		**(27,408)**	**990,355**
Other comprehensive income for the period, net of tax (B)		**-**	**-**
Total comprehensive income for the period (A+B)		**(27,408)**	**990,355**
Earnings Per equity share:			
Basic	16	-0.55	19.81
Diluted	16	-0.55	19.81

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

Tega Investments Ltd
Statement of Changes in Equity for the year ended 31 March 2022

(All amounts in USD, unless otherwise stated)

A. Equity share capital

Description	Notes	Amount
As at 1 April 2020	6	**50,000**
Changes during the year		-
As at 31 March 2021	6	**50,000**
Changes during the period		-
As at 31 March 2022	6	**50,000**

B. Other equity

Description	Notes	Reserve and surplus	Total other equity	Total
		Retained earning		
Balance as at 1 April 2021	7	**176,628**	**176,628**	**176,628**
Profit for the year		(27,408)	(27,408)	(27,408)
Balance as at 31 March 2022		**149,220**	**149,220**	**149,220**

Description	Notes	Reserve and surplus	Total other equity	Total
		Retained earning		
Balance as at 1 April 2020	7	(813,727)	(813,727)	(813,727)
Profit for the year		990,355	990,355	990,355
Balance as at 31 March 2021		**176,628**	**176,628**	**176,628**

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director

Director

Tega Investments Ltd
Statement of Cash Flows for the year ended 31 March 2022

(All amounts in USD, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from Operating Activities		
Net Profit before tax	2,879	990,355
Adjustments for:		
Finance costs	-	16,275
Interest income	(6,038)	(14,947)
Gain on Sale of Investment	-	(993,592)
Effect of unrealised exchange differences (3rd party)	172	(373)
Effect of unrealised exchange differences (related party)		
Operating profit before working capital changes	**(2,987)**	**(2,282)**
Changes in Working Capital:		
(Increase)/ decrease in Non Current/ Current financial and other assets	-	388,882
Increase/ (decrease) in Non Current/ Current financial and other liabilities/ provisions	-	(3,090,357)
Cash Generated from Operations	**(2,987)**	**(2,703,757)**
Direct Taxes paid (net of refunds)	-	-
Net cash generated from operating activities	**(2,987)**	**(2,703,757)**
B. Cash flow from Investing Activities:		
Proceeds from Loans and Advances	-	1,624,200
Proceeds from sale of investments	-	1,293,642
Loan given during the year	-	(215,039)
Interest received	-	14,947
Net cash (used in) investing activities	**-**	**2,717,750**
C. Cash flow from Financing Activities		
Finance cost paid	-	(16,275)
Net cash (used in) financing activities	**-**	**(16,275)**

Net increase in cash and cash equivalents	**(2,987)**	**(2,282)**
Cash and cash equivalents at the beginning of the year	7,709	9,618
Exchange difference on translation of foreign currency cash & cash equivalents	(172)	373
Cash & cash equivalents at the end of the year	**4,550**	**7,709**

	31 March 2022	31 March 2021
Cash and Cash Equivalents comprise :		
Balances with banks on current account	4,550	7,709
	4,550	**7,709**

Notes:

1. The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

(All amounts in USD, unless otherwise stated)

Note: 3 Cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Balances with bank		
In current accounts	4,550	7,709
Total	**4,550**	**7,709**

Note: 4 Loans

Particulars	31 March 2022	31 March 2021
Unsecured, considered good unless otherwise stated		
Loan to related parties	184,752	215,039
Total	**184,752**	**215,039**

Loans granted to promoters, directors, KMP and the related parties, repayable on demand or without any terms of repayment, as on 31 March 2022

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of Loans
Promoter		
Directors		
KMPs		
Related Parties	184,752	100%
Total	**184,752**	**100%**

Loans granted to promoters, directors, KMP and the related parties, repayable on demand or without any terms of repayment, as on 31 March 2021

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of Loans
Promoter		
Directors		
KMPs		
Related Parties	215,039	100%
Total	**215,039**	**100%**

Note: 5 Other financial assets - Current

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Interest receivables	12,163	6,125
Total	**12,163**	**6,125**

(All amounts in USD, unless otherwise stated)

Note: 6 Equity share capital

(a) Authorised share capital

Particulars	Number of shares	Amount
As at 1 April 2020	**50,000**	**50,000**
Changes during the year	-	-
As at 31 March 2021	**50,000**	**50,000**
Changes during the year	-	-
As at 31 March 2022	**50,000**	**50,000**

(b) Issued, Subscribed and fully Paid -up Shares

Particulars	Number of shares	Amount
As at 1 April 2020	**50,000**	**50,000**
Changes during the year	-	-
As at 31 March 2021	**50,000**	**50,000**
Changes during the year	-	-
As at 31 March 2022	**50,000**	**50,000**

(c) Equity shares held by the parent company of the company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Ordinary shares				
Tega Industries Limited	50,000	100.00%	50,000	100.00%

(d) Details of the shareholders holding more than 5% of ordinary shares of the company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Ordinary shares				
Tega Industries Limited	50,000	100.00%	50,000	100.00%

(e) Rights, preferences and restrictions attached to ordinary shares
The company has one class of equity shares having par value of USD 1/-. All shares are fully paid up.The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote at meeting of the Company. In the event of winding up of the Company, ordinary shareholders are entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of ordinary shares held by the shareholders.

(f) Shares held by the promoters :
(i) As at 31st March 2022

Promoter name	No. of shares	%of total shares	% change during the period
Ordinary shares			
Tega Industries Limited	50,000	100.00%	NIL

(ii) As at 31st March 2021

Promoter name	No. of shares	%of total shares	% change during the period
Ordinary shares			
Tega Industries Limited	50,000	100.00%	NIL

(All amounts in USD, unless otherwise stated)

Note: 7 Other equity

Particulars	Refer below	31 March 2022	31 March 2021
Retained earnings	(i)	149,220	176,628
Total		**149,220**	**176,628**

Particulars	31 March 2022	31 March 2021
(i) Retained earnings		
Balance at the beginning of the period	176,628	(813,727)
Profit for the year	(27,408)	990,355
Balance at the end of the year	**149,220**	**176,628**

Nature and purpose of other equity

Retained Earnings

Retained earnings are the profit that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Note: 8 Trade payables

Particulars	31 March 2022	31 March 2021
(ii) Others	2,245	2,245
Total	**2,245**	**2,245**

Trade payables ageing schedule: (i) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises							-
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises							-
Other than Related Party	2,245						
Related Party							
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**2,245**	**-**	**-**	**-**	**-**	**-**	**-**

Trade payables ageing schedule: (i) As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises							-
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises							-
Other than Related Party	2,245						
Related Party							
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**2,245**	**-**	**-**	**-**	**-**	**-**	**-**

(All amounts in USD, unless otherwise stated)

Note: 9 Revenue from operations

Particulars	31 March 2022	31 March 2021
Interest on loan	6,038	14,947
Total	**6,038**	**14,947**

Note: 10 Other income

Particulars	31 March 2022	31 March 2021
(c) Other non-operating income		
Net gain on sale of investments classified at FVTPL	-	993,592
Net gain/(loss) on foreign currency transaction and translations	(172)	373
Total	**(172)**	**993,965**

(All amounts in USD, unless otherwise stated)

Note: 11 Finance costs

Particulars	31 March 2022	31 March 2021
Interest Expenses	-	16,275
Total	**-**	**16,275**

Note: 12 Other expenses

Particulars	31 March 2022	31 March 2021
Bank charges	37	37
Professional fees	2,950	2,245
Total	**2,987**	**2,282**

(All amounts in USD, unless otherwise stated)

Note: 13 Income tax expense

(a) Income Tax Expense

Particulars	31 March 2022	31 March 2021
Current tax		
Adjustments for current tax of prior periods	30,287	
Total current tax expense	**30,287**	**-**
Total tax expense/ (credit)	**30,287**	**-**

(c) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2022	31 March 2021
Profit before tax	2,879	990,355
Tax on above calculated at rates applicable to the company	**-**	**-**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Exempt income		
Items on which deferred tax asset has not been recognised		
Items on which deferred tax liability has not been recognised		
Previously Unrecognised tax losses used to reduce deferred tax expenses		
Others	30,287	
Total tax expense/ (credit)	**30,287**	**-**

(All amounts in USD, unless otherwise stated)

Note: 14 Fair value measurements

Financial instruments by category

Particulars	31 March 2022		31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Cash and cash equivalents	-	4,550	-	7,709
Loans	-	184,752	-	215,039
Other financial assets	-	12,163	-	6,125
Total financial assets	**-**	**201,465**	**-**	**228,873**
Financial liabilities				
Trade payables	-	2,245	-	2,245
Total financial liabilities	**-**	**2,245**	**-**	**2,245**

(All amounts in USD, unless otherwise stated)

Note: 14 Financial risk management

The company 's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (i.e. foreign currency risk, interest rate risk and price risk).

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets and liabilities not denominated in Indian rupee (INR).	Entering into forward contracts, options and interest rate swaps.
Market risk – interest rate	Long-term borrowings at variable rates.	Entering into derivative contracts such as interest rate swaps and currency swaps.

Note: 14 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company 's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The tables below analyse the company 's financial liabilities into relevant maturity company ings based on their contractual maturities:
The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities 31 March 2022	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Trade payables - Other than Related Party	2,245	2,245	2,245			
Trade payables - Related Party						
Total non-derivative financial liabilities	**2,245**	**2,245**	**2,245**	**-**	**-**	**-**

** Based on closing rates

Contractual maturities of financial liabilities 31 March 2021	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Trade payables - Other than Related Party	2,245	2,245	2,245			
Trade payables - Related Party						
Total non-derivative financial liabilities	**2,245**	**2,245**	**2,245**	**-**	**-**	**-**

** Based on closing rates

Tega Investments Ltd
Notes to the Special Purpose Financial Information

Note: 14 Financial risk management (continued)

Foreign currency risk
The company deals with foreign currency bank accounts, trade receivables and contract assets, borrowings, trade payables and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The company primarily uses derivatives to hedge its risk against foreign currency balances of borrowings, trade payables, trade receivables and contract assets. Such exposures are managed within approved policy parameters utilising foreign exchange forward contracts and options. Further, the company also has variable interest rate loan in foreign currency. To manage its risk against interest rate movements the company has taken an interest rate swap. The company also enter into derivative contracts to hedge forecast sales and purchase transactions using forward contracts.

Foreign currency risk exposure
The company 's exposure to foreign currency risk for major currencies at the end of the reporting period expressed in USD (foreign currency amount multiplied by closing rate), are as follows:-

Particulars	31 March 2022						
	AUD	CAD	EUR	GBP	ZAR	CLP	GHS
Financial assets							
Bank balances				3,435			
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**3,435**	**-**	**-**	**-**
Net exposure	**-**	**-**	**-**	**3,435**	**-**	**-**	**-**

Particulars	31 March 2021						
	AUD	CAD	EUR	GBP	ZAR	CLP	GHS
Financial assets							
Bank balances				3,607			
Net exposure to foreign currency risk (assets)	**-**	**-**	**-**	**3,607**	**-**	**-**	**-**
Net exposure	**-**	**-**	**-**	**3,607**	**-**	**-**	**-**

Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax						
	AUD	CAD	EUR	GBP	ZAR	CLP	GHS
31 March 2022							
USD appreciates by 5%*	-	-	-	-172	-	-	-
USD depreciates by 5%*	-	-	-	172	-	-	-
31 March 2021							
USD appreciates by 5%*	-	-	-	-180	-	-	-
USD depreciates by 5%*	-	-	-	180	-	-	-

* Holding all other variables constant

(All amounts in USD, unless otherwise stated)

Note: 15 Capital management

(a) Risk management

The company 's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company 's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents	4,550	7,709
Total	**4,550**	**7,709**

Particulars	Other assets	Liabilities from financing activities	Total
	Cash and cash equivalents	Non-current borrowings	
Net debt as at 1 April 2021*	**7,709**	**-**	**7,709**
Cash flows	(2,987)	-	(2,987)
Interest expense	-	-	-
Interest paid	-	-	-
Non-cash movements:			
Unrealised foreign exchange	(172)		(172)
Net debt as at 31 March 2022*	**4,550**	**-**	**4,550**

*balances include interest accrued on borrowings

Particulars	Other assets	iabilities from financing activiti	Total
	Cash and cash equivalents	Non-current borrowings	
Net debt as at 1 April 2020	9,618	-	9,618
Cash flows	(2,282)	-	(2,282)
Interest expense	-	-	-
Interest paid	-	-	-
Non-cash movements:			
Unrealised foreign exchange	373	-	373
Net debt as at 31 March 2021*	**7,709**	**-**	**7,709**

*balances include interest accrued on borrowings

(All amounts in USD, unless otherwise stated)

Note: 16 Earnings per share

	Particulars	31 March 2022	31 March 2021
	Computation of Earnings for Equity Shares		
A	Net Profit/(loss) attributable to the shareholders of the company	(27,408)	990,355
B	Weighted average number of equity shares outstanding during the period other than which are dilutive	50,000	50,000
C	Effect of equity shares which are dilutive	-	
D = (B+C)	Weighted average number of equity shares outstanding during the period (dilutive)	50,000	50,000
	Earnings per equity share		
A/B	Earnings per share - Basic	(0.55)	19.81
A/D	Earnings per share - Diluted	(0.55)	19.81

Tega Investments Ltd
Notes to the Special Purpose Financial Information

(All amounts in USD, unless otherwise stated)

Note: 17 Related party Transaction

Related party disclosure pursuant to Ind AS 24 prescribed under the act

Details of related parties:

Description of relationship	Names of related parties
Holding Company	Tega Industries Limited (TIL)
Fellow Subsidiaries	Tega Investment South Africa Pty Ltd, South Africa (TISAPL) Tega Industries Africa Pty Ltd, South Africa (TISL) Tega Industries Chile SpA (TICS) Tega Industries Australia Pty Ltd, Australia (TIAPL) Tega Industries Canada Inc, Canada (TIC) Tega Do Brasil Servicos Technicos Limitda, Brasil (TDBSTL) Tega Industries Inc, USA (TII) Tega Holdings Pty Ltd, Australia (THPTY) Losugen Pty Ltd, Australia (LPL) Tega Holdings Pte Ltd, Singapore (THPTE)
Joint Venture	Hosch Equipment (India) Limited (Joint Venture of Tega Industries Limited)
Key Management Personnel (KMP)	Madan Mohan Mohanka - Director Mehul Mohanka - Director P C Davis - Director

Note: Related parties have been identified by the Management.

Details of related party transactions for the period ended 31 March 2022 and balances outstanding as at 31 March 2022:

Particulars	TISL	THPTE	Total
Interest Income on Loan given		6,038	6,038
Refund of Loan		30,287	30,287
Balances outstanding at the end of the period			
Loan given		184,752	184,752
Interest receivable		12,163	12,163

Details of related party transactions for the year ended 31 March 2021 and balances outstanding as at 31 March 2021:

Particulars	TISL	THPTE	Total
Interest Income on Loan given	8,822	6,125	14,947
Interest Expenses on Loan		16,275	16,275
Repayment of Loan taken		2,165,000	2,165,000
Repayment of interest payable		941,632	941,632
Repayment of Loan given	1,624,200		1,624,200
Sales of Investment		1,293,642	1,293,642
Loan given during the year	-	215,039	215,039
Balances outstanding at the end of the period			
Loan given		215,039	215,039
Interest receivable		6,125	6,125

Note: 18 Relationship with Struck off Companies

The Company does not have any transactions/outstanding balances with any struck off companies under the Companies Act, 2013

Note: 19 Transaction in Crypto Currency

The Company has not traded or invested in Crypto Currency or virtual currency during the financial year.

Note: 20

The Company has not during the year and previous year advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not during the year and previous year received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For and on behalf of Board of Directors

Director Director

Tega Do Brasil Servicos Technicos Ltda
Balance Sheet as at 31 March 2022

(All amounts in BRL, unless otherwise stated)

Particulars	Note	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	50,892	62,982
Total non-current assets		**50,892**	**62,982**
Current assets			
Financial assets			
(i) Trade receivables and contract assets	4	95,224	-
(ii) Cash and cash equivalents	5	184,330	150,518
(iv) Other financial assets	6	3,000	3,000
Other current assets	7	-	20,139
Total current assets		**282,554**	**173,657**
Total assets		**333,446**	**236,639**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	450,547	450,547
Other equity	9	(492,441)	(405,459)
Total equity		**(41,894)**	**45,088**
Liabilities			
Current liabilities			
Financial liabilities			
(i) Trade payables			
(a) Total outstanding dues of micro and small enterprises	10	-	-
(b) Total outstanding dues of creditors other than micro and small enterprises	10	86,645	101,610
(iI) Other financial liabilities	11	255,173	59,615
Provisions	12	14,016	12,131
Current tax liabilities (net)	13	-	3,117
Other current liabilities	14	19,508	15,077
Total current liabilities		**375,341**	**191,551**
Total liabilities		**375,341**	**191,551**
Total equity and liabilities		**333,447**	**236,639**

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

Tega Do Brasil Servicos Technicos Ltda
Statement of Profit and Loss for the year ended 31 March 2022

(All amounts in BRL, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	15	2,010,067	2,232,798
Other income	16	10,577	27,524
Total income		**2,020,644**	**2,260,322**
Expenses			
Purchase of stock-in-trade	17	185,645	240,403
Employee benefits expense	18	942,481	846,492
Depreciation and amortisation expenses	19	12,090	14,873
Other expenses	20	900,645	1,029,467
Total expenses		**2,040,861**	**2,131,234**
Profit before exceptional items and tax		**(20,217)**	**129,088**
Exceptional Items		-	-
Profit before tax		**(20,217)**	**129,088**
Income tax expense			
- Current tax	21	66,766	112,213
- Deferred tax	21	-	-
Total tax expense/ (credit)		**66,766**	**112,213**
Total Profit for the period (A)		**(86,983)**	**16,875**
Other comprehensive income for the period, net of tax (B)		-	-
Total comprehensive income for the period (A+B)		**(86,983)**	**16,875**
Earnings Per equity share:			
Basic	25	-0.19	0.04
Diluted	25	-0.19	0.04

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director

Director

Tega Do Brasil Servicos Technicos Ltda
Statement of Changes in Equity for the year ended 31 March 2022

(All amounts in BRL, unless otherwise stated)

A. Equity share capital

Description	Notes	Amount
As at 1 April 2020	9	**450,547**
Changes during the year		-
As at 31 March 2021	9	**450,547**
Changes during the period		-
As at 31 March 2022	9	**450,547**

C. Other equity

Description	Notes	Reserve and surplus	Total other equity	Total
		Retained earning		
Balance as at 1 April 2021	**10**	**(405,459)**	**(405,459)**	**(405,459)**
Profit for the period		(86,983)	(86,983)	(86,983)
Balance as at 31 March 2022		**(492,441)**	**(492,441)**	**(492,441)**

Description	Notes	Reserve and surplus	Total other equity	Total
		Retained earning		
Balance as at 1 April 2020	10	(422,334)	(422,334)	(422,334)
Profit for the year		16,875	16,875	16,875
Balance as at 31 March 2021		**(405,459)**	**(405,459)**	**(405,459)**

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director

Director

Tega Do Brasil Servicos Technicos Ltda
Statement of Cash Flows for the year ended 31 March 2022

(All amounts in BRL, unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. Cash flow from Operating Activities		
Net Profit before tax	(20,217)	129,088
Adjustments for:		
Depreciation and amortisation expenses	12,090	14,873
Allowance for expected credit loss (including bad debts and advances written off)	72,538	250,049
Provision for doubtful debts, advances and deposits written back		
Liabilities/ Provisions no longer required written back	-	(11,356)
Net Loss on sale of property, plant and equipment	-	(20,534)
Effect of unrealised exchange differences (3rd party)		20,279
Effect of unrealised exchange differences (related party)		
Operating profit before working capital changes	**64,411**	**382,399**
Changes in Working Capital:		
(Increase)/ decrease in Non Current/ Current financial and other assets	(147,623)	(96,555)
(Increase) in inventories	-	-
Increase/ (decrease) in Non Current/ Current financial and other liabilities/ provisions	186,907	751
Cash Generated from Operations	**103,696**	**286,595**
Direct Taxes paid (net of refunds)	(69,883)	(332,326)
Net cash generated from operating activities	**33,813**	**(45,731)**
B. Cash flow from Investing Activities:		
Purchase of capital assets	-	-
Sale of capital assets	-	26,500
Dividend received	-	
Net cash (used in) investing activities	**-**	**26,500**
C. Cash flow from Financing Activities		
Proceeds from long term borrowings		
Repayment of long term borrowings		
Proceeds from/ (repayment of) short term borrowings (net)		
Finance cost paid		
Finance cost paid on account of Lease Liability		
Repayment of Lease Liability		
Dividends paid		
Net cash (used in) financing activities	**-**	**-**

Net increase in cash and cash equivalents	**33,812**	**(19,231)**
Cash and cash equivalents at the beginning of the period	150,518	172,254
Cash & cash equivalents at the end of the period	**184,330**	**153,023**

	31 March 2022	31 March 2021
Cash and Cash Equivalents comprise :		
Balances with banks on current account	184,330	57,990
Balances with banks in deposit account (less than three months maturity)	-	92,528
	184,330	**150,518**

Notes:

1. The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes are the integral part of this Special Purpose Financial Information

For and on behalf of Board of Directors

Director Director

(All amounts in BRL, unless otherwise stated)

Note: 3 Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block
	As at 1 April 2021	Additions during the period	Disposals/ Adjustments during the year	As at 31 March 2022	As at 1 April 2021	For the period	Disposals/ Adjustments during the year	As at 31 March 2022	As at 31 March 2022
Tangible assets									
(a) Furniture and fixtures	21,928	-	-	21,928	12,962	1,816		14,778	7,150
(b) Vehicles	79,441	-	-	79,441	29,129	9,433		38,562	40,879
(c) Office equipment	21,001	-	-	21,001	17,296	841		18,137	2,864
Total	**122,370**	**-**	**-**	**122,370**	**59,387**	**12,090**	**-**	**71,477**	**50,893**

Particulars	Gross Block				Depreciation				Net Block
	As at 1 April 2020	Additions during the year	Disposals/ Adjustments during the year#	As at 31 March 2021	As at 1 April 2020	For the year	Disposals/ Adjustments during the year#	As at 31 March 2021	As at 31 March 2021
Tangible assets									
(a) Furniture and fixtures	21,928			21,928	10,390	2,572	-	12,962	8,966
(b) Vehicles	119,955		40,514	79,441	53,862	10,269	35,002	29,129	50,312
(c) Office equipment	28,965		7,964	21,001	22,773	2,033	7,510	17,296	3,705
Total	**170,848**	**-**	**48,478**	**122,370**	**87,025**	**14,874**	**42,512**	**59,387**	**62,983**

(All amounts in BRL, unless otherwise stated)

Note: 4 Trade receivables and contract assets

Particulars	31 March 2022	31 March 2021
Current		
Trade Receivables		
(a) Unsecured, considered good	95,224	-
(b) Credit impaired	8,929	8,929
	104,153	8,929
Allowance for credit losses	(8,929)	(8,929)
Net Receivables	**95,224**	**-**
Contract assets		
(a) Unsecured, considered good		
	-	-
Allowance for credit losses		-
Net Contract Assets	**-**	**-**
Total	**95,224**	**-**

Trade receivables ageing schedule: (i) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good							-
Other than Related party							
Related Party	95,224						**95,224**
(ii) Undisputed Trade Receivables - credit impaired							-
Other than Related party						8,929	**8,929**
Related Party							-
(iii) Disputed Trade Receivables - considered good							-
Less: Credit impaired good							-
Other than Related party							
Related Party							
Total	**95,224**	**-**	**-**	**-**	**-**	**8,929**	**104,153**

Trade receivables ageing schedule: (i) As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good							-
Other than Related party							
Related Party							
(ii) Undisputed Trade Receivables - credit impaired							-
Other than Related party					3,040	5,889	**8,929**
Related Party							
(iii) Disputed Trade Receivables - considered good							-
Less: Credit impaired good	-	-	-	-	-	-	-
Other than Related party							
Related Party							
Total	**-**	**-**	**-**	**-**	**3,040**	**5,889**	**8,929**

Note:
(i) There are no outstanding receivable due from directors or other officers of the company.
(ii) Refer note 24 for credit risk

(All amounts in BRL, unless otherwise stated)

Note: 5 Cash and cash equivalents

Particulars	31 March 2022	31 March 2021
Balances with banks		
In current accounts	184,330	57,990
In deposit account (less than three months maturity)	-	92,528
Total	**184,330**	**150,518**

Note: 6 Other financial assets - Current

Particulars	31 March 2022	31 March 2021
Unsecured, considered good		
Security deposits	3,000	3,000
Total	**3,000**	**3,000**

Note: 7 Other current assets

Particulars	31 March 2022	31 March 2021
Unsecured, considered good (unless otherwise stated)		
Advance to suppliers		
Considered good	-	20,139
Considered doubtful	171,416	98,990
Less: Provision for doubtful advances	(171,416)	(98,990)
Total	**-**	**20,139**

(All amounts in BRL, unless otherwise stated)

Note: 8 Equity share capital

(a) Authorised share capital

Particulars	Number of shares	Amount
As at 1 April 2020	**500,000**	**500,000**
Changes during the year	-	-
As at 31 March 2021	**500,000**	**500,000**
Changes during the period	-	-
As at 31 March 2022	**500,000**	**500,000**

(b) Issued, Subscribed and fully Paid -up Shares

Particulars	Number of shares	Amount
As at 1 April 2020	**450,547**	**450,547**
Changes during the year	-	-
As at 31 March 2021	**450,547**	**450,547**
Changes during the period	-	-
As at 31 March 2022	**450,547**	**450,547**

(c) Equity shares held by the parent company of the company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Equity shares				
Tega Industries Limited	450,497	99.99%	450,497	99.99%

(d) Details of the shareholders holding more than 5% of equity shares of the company

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	No.	% holding	No.	% holding
Equity shares				
Tega Industries Limited	450,497	99.99%	450,497	99.99%

(e) Rights, preferences and restrictions attached to equity shares

The company has one class of equity shares having par value of BRL 1. All shares are fully paid up.The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote at meeting of the Company. In the event of winding up of the Company, ordinary shareholders are entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Ordinary Shares held by the share holders.

(g) Shares held by the promoters : (i) As at 31st March 2022

Promoter name	No. of shares	%of total shares	% change during the period
Equity shares			
Tega Industries Limited	450,497	99.99%	NIL

Shares held by the promoters : (i) As at 31st March 2021

Promoter name	No. of shares	%of total shares	% change during the period
Equity shares			
Tega Industries Limited	450,497	99.99%	NIL

(All amounts in BRL, unless otherwise stated)

Note: 9 Other equity

Particulars	Refer below	31 March 2022	31 March 2021
Retained earnings	(i)	(492,441)	(405,459)
Total		**(492,441)**	**(405,459)**

Particulars	31 March 2022	31 March 2021
(i) Retained earnings		
Balance at the beginning of the year	(405,459)	(422,334)
Profit for the year	(86,983)	16,875
Balance at the end of the year	**(492,441)**	**(405,459)**

Nature and purpose of other equity

Retained Earnings

Retained earnings are the profit that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

(All amounts in BRL, unless otherwise stated)

Note: 10 Trade payables

Particulars	31 March 2022	31 March 2021
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Others	86,645	101,610
Total	**86,645**	**101,610**

Trade payables ageing schedule: (i) As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises							-
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises							-
Other than Related party	10,350						**10,350**
Related Party				76,295			**76,295**
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**10,350.00**	**-**	**-**	**76,295**	**-**	**-**	**86,645**

Trade payables ageing schedule: (i) As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Due	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed total outstanding dues of micro and small enterprises							-
(b) Undisputed total outstanding dues of creditors other than micro and small enterprises							-
Other than Related party	9,150						**9,150**
Related Party			68,780	23,680			**92,460**
(c) Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
(d) Disputed total outstanding dues of creditors other than micro and small enterprises	-	-	-	-	-	-	-
Total	**9,150**	**-**	**68,780**	**23,680**	**-**	**-**	**101,610**

Note: 11 Other financial liabilities- current

Particulars	31 March 2022	31 March 2021
Other payables		
Employee related liabilities	255,173	59,615
Total	**255,173**	**59,615**

Note: 12 Provisions - current

Particulars	31 March 2022	31 March 2021
(a) Provision for employee benefits		
Provision for compensated absences	14,016	12,131
Total	**14,016**	**12,131**

Note: 13 Current tax liabilities (net)

Particulars	31 March 2022	31 March 2021
Provision for income tax (net of advances)	-	3,117
Total	**-**	**3,117**

Note: 14 Other current liabilities

Particulars	31 March 2022	31 March 2021
Other payables		
Statutory dues (Contribution to PF and ESIC, GST, Withholding Taxes, Entry Tax, etc.)	19,508	15,077
Total	**19,508**	**15,077**

(All amounts in BRL, unless otherwise stated)

Note: 15 Revenue from operations

Particulars	31 March 2022	31 March 2021
Revenue from operations	2,010,067	2,232,798
Total	**2,010,067**	**2,232,798**

The company has recognised the following amounts relating to revenue in the Consolidated Statement of Profit and Loss:

Particulars	31 March 2022	31 March 2021
(i) Sale of products	88,473	396,771
(ii) Sale of services		
	88,473	**396,771**
(iii) Other operating revenue		
Marketing Fees Income	1,921,594	1,836,028
Total	**2,010,067**	**2,232,798**

(i) Disaggregation of revenue from contracts with customers:

The company derives revenue from the transfer of goods and services in the following geographical regions:

Particulars	31 March 2022	31 March 2021
South America	88,473	396,771
Total	**88,473**	**396,771**

Note: 16 Other income

Particulars	31 March 2022	31 March 2021
(a) Interest income		
on financial instruments at amortised cost	939	462
(c) Other non-operating income		
Liabilities/ Provisions no longer required written back	-	11,356
Gain on sale of property, plant and equipment (Net)	-	20,534
Net gain/(loss) on foreign currency transaction and translations	9,639	(7,332)
Provision for doubtful debt written back	-	2,505
Total	**10,577**	**27,524**

(All amounts in BRL, unless otherwise stated)

Note: 17 Purchase of stock-in-trade

Particulars	31 March 2022	31 March 2021
Purchases	185,645	240,403
Total	**185,645**	**240,403**

(All amounts in BRL, unless otherwise stated)

Note: 18 Employee benefits expense

Particulars	31 March 2022	31 March 2021
Salaries and wages	677,385	507,302
Contribution to provident and other funds	156,347	224,966
Staff welfare expenses	108,750	114,224
Total	**942,481**	**846,492**

Note: 19 Depreciation and amortisation expenses

Particulars	31 March 2022	31 March 2021
Depreciation of property, plant and equipment [refer note 3]	12,090	14,873
Total	**12,090**	**14,873**

Note: 20 Other expenses

Particulars	31 March 2022	31 March 2021
Rent	117,821	38,746
Repairs to others	9,401	3,335
Bank charges	3,594	7,061
Rates and taxes	3,862	27,216
Travelling and conveyance	424,352	325,038
Packing and forwarding (net)	11,269	32,620
Product installation expenses	15,780	73,698
Postage, telephone and fax	21,503	35,267
Sales promotion expenses	39,845	14,389
Professional fees	97,911	209,334
Allowance for expected credit loss (including bad debts and advances written off) [refer note 23A]	112	151,059
Provision for Doubtful Advances	72,426	98,990
Miscellaneous expenses	82,771	12,712
Total	**900,645**	**1,029,467**

(All amounts in BRL, unless otherwise stated)

Note: 21 Income tax expense

Particulars	31 March 2022	31 March 2021
Current tax		
Current tax on profits for the period	61,756	56,849
Adjustments for current tax of prior periods	5,010	55,364
Total current tax expense	**66,766**	**112,213**
Deferred tax		
Decrease/ (increase) in deferred tax assets	-	-
(Decrease)/ increase in deferred tax liabilities		
Exchange difference on translation		
Total deferred tax expense/ (benefit)	**-**	**-**
Total tax expense/ (credit)	**66,766**	**112,213**

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2022	31 March 2021
Profit before tax	(20,217)	129,088
Tax on above calculated at rates applicable to the company	**(6,308)**	**40,275**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Items not deductible in tax	187,128	46,727
Taxes for earlier years	5,010	55,364
Others	(119,064)	(30,154)
Total tax expense/ (credit)	**66,766**	**112,212**

(All amounts in BRL, unless otherwise stated)

Note: 22 Fair value measurements

Financial instruments by category

Particulars	31 March 2022		31 March 2021	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	95,224	-	-
Cash and cash equivalents	-	184,330	-	150,518
Other financial assets	-	3,000	-	3,000
Total financial assets	**-**	**282,554**	**-**	**153,518**
Financial liabilities				
Trade payables	-	86,645	-	101,610
Total financial liabilities	**-**	**86,645**	**-**	**101,610**

(All amounts in BRL, unless otherwise stated)

Note: 23 Financial risk management

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets and other financial assets measured at amortised cost.	Diversification of bank deposits and investments. Entering into transactions with customers of repute / customers having sound financial position.
Liquidity risk	Financial liabilities that are settled by delivering cash or another financial asset.	Projecting cash flows and considering the level of liquid assets necessary to meet the liabilities.
Market risk – foreign exchange	Future commercial transactions and recognised financial assets and liabilities not denominated in Indian rupee (INR).	Entering into forward contracts, options and interest rate swaps.

(A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) including deposits with banks, investments and other financial instruments. The company periodically monitors the recoverability and credit risks of its other financial assets including security deposits and other receivables.

i) Trade receivables and contract assets

Customer credit risk is managed by the management subject to the company 's established policy, procedures and control relating to customer credit risk management. Trade receivables and contract assets are non-interest bearing. Outstanding customer receivables are regularly monitored.

At each reporting date the company measures loss allowance for certain class of financial assets based on historical trend industry practice and the business environment in which the company operates.

ii) Financial instruments and cash deposits

Credit risk from balances with banks and investments is managed by the company in accordance with the company 's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company 's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 is the carrying amounts of trade receivables and contract assets, investments, balances with bank and other financial assets.

Provision for expected credit loss

In determination of the allowance for credit losses on receivables, the company has used a practical experience by computing the expected credit losses based on provision matrix, which has taken into account historical credit loss experience and adjusted for forward looking information. The company also analyses all its receivables periodically for recoverability assessment and wherever they have analysed that the receivable may be credit impaired on account of non recoverability, loss allowance on such receivables have been provided in full.

Details of allowances for expected credit loss are provided hereunder :-

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
At the beginning of the period	8,929	11,435
Provisions created/ (written back) during the period (net) (a)		-2,505
Closing at the end of the period	**8,929**	**8,929**
Bad debts and advances written off (b)	112	151,059
Total Charge to Statement of Profit & Loss (a+b)	112	148,554

(All amounts in BRL, unless otherwise stated)

Note: 23 Financial risk management (continued)

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company 's liquidity position and cash and cash equivalents on the basis of expected cash flows.

(i) Maturities of financial liabilities

The tables below analyse the company 's financial liabilities into relevant maturity company ings based on their contractual maturities:
The amounts disclosed in the table are the contractual undiscounted cash flows:

Contractual maturities of financial liabilities 31 March 2022	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Other financial liabilities - 'Other than Related party	255,173	255,173	255,173			
Other financial liabilities - Related Party	-	-	-			
Trade payables - Other than Related party	10,350	10,350	10,350			
Trade payables - Related Party	76,295	76,295	76,295			
Total non-derivative financial liabilities	**341,817**	**341,817**	**341,817**	**-**	**-**	**-**

** Based on closing rates

Contractual maturities of financial liabilities 31 March 2021	Carrying Value	Contractual Cash Flows	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Non-derivatives						
Other financial liabilities - Other than Related party	59,615	59,615	59,615			
Other financial liabilities - Related Party	-	-	-			
Trade payables - Other than Related party	9,150	9,150	9,150			
Trade payables - Related Party	92,460	92,460	92,460			
Total non-derivative financial liabilities	**161,225**	**161,225**	**161,225**	**-**	**-**	**-**

** Based on closing rates

(All amounts in BRL, unless otherwise stated)

Note: 23 Financial risk management (continued)
(C) Market risk

(i) Foreign currency risk
The company deals with foreign currency bank accounts, trade receivables and contract assets, borrowings, trade payables and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The company operates internationally and portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The company primarily uses derivatives to hedge its risk against foreign currency balances of borrowings, trade payables, trade receivables and contract assets. Such exposures are managed within approved policy parameters utilising foreign exchange forward contracts and options. Further, the company also has variable interest rate loan in foreign currency. To manage its risk against interest rate movements the company has taken an interest rate swap. The company also enter into derivative contracts to hedge forecast sales and purchase transactions using forward contracts.

Foreign currency risk exposure
The company 's exposure to foreign currency risk for major currencies at the end of the reporting period expressed in BRL (foreign currency amount multiplied by closing rate), are as follows:-

Particulars				31 March 2022			
	AUD	CAD	EUR	USD	ZAR	GBP	GHS
Financial assets							
Trade receivables and contract assets							
Other than Related party							
Related Party				95,224			
Bank balances							
Offset by derivatives:							
Foreign exchange forward contracts							
Net exposure to foreign currency risk (assets)	-	-	-	**95,224**	-	-	-
Financial liabilities							
Trade and other payables							
Other than Related party							
Related Party				(76,295)			
Other financial liabilities							
Other than Related party							
Related Party							
Borrowings							
Other than Related party							
Related Party							
Offset by derivatives:							
Foreign exchange forward contracts/ Foreign Currency option contracts							
Net exposure to foreign currency risk (liabilities)	-	-	-	**(76,295)**	-	-	-
Net exposure	-	-	-	**18,929**	-	-	-

Particulars				31 March 2021			
	AUD	CAD	EUR	USD	ZAR	GBP	GHS
Financial assets							
Trade receivables and contract assets							
Other than Related party							
Related Party							
Bank balances							
Offset by derivatives:							
Foreign exchange forward contracts							
Net exposure to foreign currency risk (assets)	-	-	-	-	-	-	-
Financial liabilities							
Trade and other payables							
Other than Related party							
Related Party				(92,460)			
Other financial liabilities							
Other than Related party							
Related Party							
Borrowings							
Other than Related party							
Related Party							
Offset by derivatives:							
Foreign exchange forward contracts/ Foreign Currency option contracts							
Net exposure to foreign currency risk (liabilities)	-	-	-	**(92,460)**	-	-	-
Net exposure	-	-	-	**(92,460)**	-	-	-

Sensitivity
The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars				Impact on profit before tax			
	AUD	CAD	EUR	USD	ZAR	GBP	GHS
31 March 2022							
BRL appreciates by 5%*	-	-	-	*-946*	-	-	-
BRL depreciates by 5%*	-	-	-	*946*	-	-	-
31 March 2021							
BRL appreciates by 5%*	-	-	-	4,623	-	-	-
BRL depreciates by 5%*	-	-	-	*-4,623*	-	-	-

* Holding all other variables constant

(All amounts in BRL, unless otherwise stated)

Note: 24 Capital management

(a) Risk management

The company 's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company 's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

Particulars	31 March 2022	31 March 2021
Cash and cash equivalents	184,330	150,518
Total	**184,330**	**150,518**

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Non-current borrowings	Current borrowings	
Net debt as at 1 April 2021*	**153,023**	**-**	**-**	**153,023**
Cash flows	33,812	-	-	33,812
Net debt as at 31 March 2022*	**186,835**	**-**	**-**	**186,835**

*balances include interest accrued on borrowings

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Non-current borrowings	Current borrowings	
Net debt as at 1 April 2020	172,254	-	-	172,254
Cash flows	(19,231)	-	-	(19,231)
Net debt as at 31 March 2021*	**153,023**	**-**	**-**	**153,023**

*balances include interest accrued on borrowings

(All amounts in BRL, unless otherwise stated)

Note: 25 Earnings per share

	Particulars	31 March 2022	31 March 2021
	Computation of Earnings for Equity Shares		
A	Net Profit attributable to the shareholders of the company	-86,983	16,875
B	Weighted average number of equity shares outstanding during the year other than which are dilutive	450,547	450,547
C	Effect of equity shares which are dilutive	-	
D = (B+C)	Weighted average number of equity shares outstanding during the yera (dilutive)	450,547	450,547
	Earnings per equity share		
A/B	Earnings per share - Basic	(0.19)	0.04
A/D	Earnings per share - Diluted	(0.19)	0.04

Tega Do Brasil Servicos Technicos Ltda
Notes to the Special Purpose Financial Information

(All amounts in BRL, unless otherwise stated)

Note: 26 Related party Transaction

Related party disclosure pursuant to Ind AS 24 prescribed under the act

Details of related parties:

Description of relationship	Names of related parties
Ultimate Holding Company	Nihal Fiscal Services Private Limited (incorporated in India)
Holding Company	Tega Industries Limited (Subsidiary of Nihal Fiscal Services Private Limited)
Fellow Subsidiaries	Tega Industries Inc, USA (TII) Tega Industries Canada Inc, Canada (TIC) Tega Industries Australia Pty Ltd, Australia (TIAPL) Tega Investment Limited, Bahamas (TIL) Tega Holdings Pte Ltd. (THPTE) (including Tega Peru Branch) (Subsidiary of Tega Industries Limited) Losugen Pty Ltd, Australia (LPL) Tega Holdings Pty Ltd, Australia (THPTY) Tega Investment South Africa Pty Ltd, South Africa (TISAPL) Tega Industries Africa Pty Ltd, South Africa (TIAPL) Tega Industries Chile SpA (TICS) Edoctum S.A, Chile (ESA) Edoctum Peru S.A.C, Peru (EPS)
Joint Venture	Hosch Equipment (India) Limited - Joint Venture of Tega Industries Limited
Key Management Personnel (KMP)	Madan Mohan Mohanka - Director Mehul Mohanka - Director
Note: Related parties have been identified by the Management.	

Details of related party transactions for the yera ended 31 March 2022 and balances outstanding as at 31 March 2022:

Particulars	TIL	TICS	Total
Marketing Fees Income	1,921,594		1,921,594
Purchase of Goods	82,036		82,036
Balances outstanding at the end of the year			
Trade Receivables	-		-
Trade Payables		76,295	76,295

Details of related party transactions for the year ended 31 March 2021 and balances outstanding as at 31 March 2021:

Particulars	TIL	TICS	Total
Marketing Fees Income	1,836,028		1,836,028
Purchase of Goods	20,510		20,510
Re-imbursement of Expenses		61,509	61,509
Recovery of Expenses	118,151		118,151
Balances outstanding at the end of the year			
Trade Payables		92,460	92,460

Note: 27 Relationship with Struck off Companies

The Company does not have any transactions/outstanding balances including investment in securities with any struck off companies under the Companies Act, 2013.

Note: 28 Transaction in Crypto Currency

The Company has not traded or invested in Crypto Currency or virtual currency during the financial year.

Note: 29

The networth of the Company has become negative due to losses incurred in current year. However, with financial support from its holding company, it will be able to continue its operations in the foreseeable future without curtailing the scale of its operations.
Further, during the year, the outbreak of Covid-19 pandemic has triggered a significant downturn globally. The management has evaluated the impact of the pandemic on the Company and the business model on which it operates and does not see any risk in its ability to continue as a going conern.

In view of the above these financial statements have been prepared on a going concern assumption.

Note: 30

The Company has not during the year and previous year advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not during the year and previous year received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

For and on behalf of Board of Directors

Director Director

ANNEXURE F

Enterprise
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Private and confidential
The Directors
Tega Holdings Pty Ltd
2/26 Biscayne Way
Jandakot WA 6164

Our ref 48490483_1

Contact Agnes Vacca, 9263 7211
Cheryl Lim, 9263 7595

21 June 2022

Dear Sirs

2022 Annual Financial Report

We enclose the financial statements for Tega Holdings Pty Ltd ('Tega') for the year ended 31 March 2022, which has been prepared on the basis of information provided to us.

Please arrange for signatures where indicated and draw to the attention of the directors of the company ('the directors') signing the financial statements, the exact nature of the statements which are being made. At the same time, the directors should satisfy themselves that the financial statements are correct.

Issues arising during preparation

We have summarised below the significant issues identified during the preparation of the financial statements.

Recognition of deferred tax asset on unused tax losses

Under *AASB 112 Income Taxes*, a deferred tax asset is recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and tax losses can be utilised.

Based on our previous discussions with you, as well as the group's profitability forecasts performed by management, we understand that the directors anticipate the group will be able to recover all carry forward tax losses against future taxable profits.

In accordance with the above, the financial statements have been prepared on the basis that a deferred tax asset representing the deductible temporary differences and estimated tax losses for the year ended 31 March 2022 is to be recognised.

Notwithstanding the above, the recognition of a deferred tax asset is an accounting judgment that the directors will need to determine and may need to discuss with the auditors.

Capital/non-deductible amounts

We have relied on the assumption that no capital items have been expensed in the profit and loss statement unless we have been informed otherwise. As a result, we have not performed a detailed review of the supporting documentation for these accounts.

In addition, we have not undertaken a detailed examination of all general ledger accounts to determine whether expenses may be non-deductible. Rather, we have relied on the information provided to us and the systems implemented by the consolidated group to ensure that expenditure is correctly allocated to general ledger accounts to ensure that non-deductible items are correctly identified.

Employee obligations

We have not reviewed the group's compliance with the PAYG withholding, superannuation guarantee, payroll tax or workers compensation legislation. If you would like us to undertake a review of the company's compliance, please contact us.

Record keeping requirements

We have not reviewed the group's compliance with any applicable record keeping requirements.

If you would like any assistance or further advice on any of these issues, please call us.

Terms of engagement

The terms of our engagement are outlined in our engagement letter dated 31 March 2022.

Should you have any queries in relation to the above, please contact Cheryl Lim or myself.

Yours sincerely

Agnes Vacca
Partner

Enclosures:
2022 Annual Financial Report
2022 Tax Reconciliation

Tega Holdings Pty Ltd

ABN 16 147 692 840

Special Purpose Financial Report

For the financial year ended 31 March 2022

Contents

Compilation Report

We have compiled the accompanying special purpose financial statements of Tega Holdings Pty Ltd which comprise the Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 March 2022, the Statement of Financial Position as at 31 March 2022, a summary of significant accounting policies and other explanatory notes.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

THE RESPONSIBILITY OF THE DIRECTORS

The Directors of Tega Holdings Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

OUR RESPONSIBILITY

On the basis of information provided by the Directors of Tega Holdings Pty Ltd we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Directors of Tega Holdings Pty Ltd.

To the extent permitted by law, we do not accept liability for any loss or damage that any person, other than Tega Holdings Pty Ltd, may suffer arising from any negligence on our part.

No person should rely on the special purpose financial statements without having an audit or review conducted.

KPMG
Dated:

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Revenue	2	-	6,099
Other Operating Expenses		(12,416)	(16,975)
Interest Income		4	8,219
Less: Interest Expense		(594,631)	(595,124)
Loss before Income Tax		**(607,043)**	**(597,781)**
Income Tax		184,662	178,613
Loss after Income Tax		**(422,381)**	**(419,168)**

Statement of Financial Position

As at 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	3	111,957	21,435
Trade and Other Receivables	4	411,838	315,521
Other Financial Assets	5	13,879,113	13,879,113
Current Tax Assets	6	3,718	103,920
Total Current Assets		**14,406,626**	**14,319,989**
NON CURRENT ASSETS			
Deferred Tax Assets	6	150,943	122,598
Total Non Current Assets		**150,943**	**122,598**
Total Assets		**14,557,569**	**14,442,587**
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	7	1,194,000	656,638
Total Current Liabilities		**1,194,000**	**656,638**
NON CURRENT LIABILITIES			
Borrowings	8	7,146,163	7,146,163
Total Non Current Liabilities		**7,146,163**	**7,146,163**
Total Liabilities		**8,340,163**	**7,802,800**
Net Assets		**6,217,406**	**6,639,787**
EQUITY			
Share Capital	9	5,000	5,000
Retained Earnings	10	6,212,406	6,634,787
Total Equity		**6,217,406**	**6,639,787**

Statement of Changes in Equity

As at 31 March 2022

	Note	Share Capital $	Retained Earnings $	Total $
Balance at 1 April 2020		**5,000**	**7,053,955**	**7,058,955**
Current Year Earnings		-	(419,168)	(419,168)
Balance at 31 March 2021		**5,000**	**6,634,787**	**6,639,787**
Current Year Earnings		-	(422,381)	(422,381)
Balance at 31 March 2022		**5,000**	**6,212,406**	**6,217,406**

Notes to the Financial Statements

For the year ended 31 March 2022

Note 1 Accounting Policies

BASIS OF PREPARATION

Tega Holdings Pty Ltd ("the Company"), is a Company limited by shares, incorporated and domiciled in Australia.

In the opinion of the Directors, the Company is not publicly accountable nor a reporting entity. The special purpose financial statements have been prepared for distribution to the Shareholders.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

STATEMENT OF COMPLIANCE

Unless otherwise noted, the special purpose financial statements have been prepared in accordance with the recognition, measurement and classification aspects of all applicable Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB).

The financial statements do not include the disclosure requirements of applicable AASB's, except for the following:

- AASB 101: Presentation of Financial Statements (excluding cash flow statements)
- AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 1048: Interpretation of Standards
- AASB 1057: Application of Australian Accounting Standards

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Directors on the same date as the signing of the Directors' declaration.

BASIS OF MEASUREMENT

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

FUNCTIONAL & PRESENTATION CURRENCY

The financial statements are presented in Australian dollars, which is the Company's functional currency.

CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

EVENTS AFTER THE REPORTING PERIOD

There were no events subsequent to the end of the reporting date to the date of issue of this report.

GOING CONCERN

The financial report of the Company has been prepared on a going concern basis.

INCOME TAX

On 3 October 2016, the company elected to form a tax consolidated group, effective 1 April 2014. Tega Holdings Pty Ltd is the head company of the tax consolidated group.

Income tax is calculated using the tax payable method of accounting. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year. As the company is the head entity of the tax consolidated group, it recognises the income tax payable or receivable on behalf of the tax consolidated group. Any amount of tax payable or receivable relating to other members of the tax consolidated group are recognised as loans owing from or to these members, as agreed between the entities.

This is a departure from the requirements of AASB 112 Income Taxes in that no allowance has been made for the deferred tax assets or liabilities. No assessment has been made as to the materiality of the non recognition of these assets or liabilities or their impact on future tax liabilities of the Company.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

LEASES

On 1 July 2019, AASB 16 Leases was introduced to replace existing lease guidance provided under AASB 117 Leases.

AASB 16 presents a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the previous standard, whereby lessors continue to classify leases as finance or operating leases.

The Directors has determined that AASB 16 would not have a material impact on these Special Purpose Financial Statements in the current year, and has decided not to adopt this standard in the preparation of these financial statements.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

FINANCIAL INSTRUMENTS

I) RECOGNITION AND INITIAL MEASUREMENT

Unless otherwise noted below, all financial assets and financial liabilities are initially recognised when the Company becomes party to the contractual provisions of the instrument.

Trade receivables are initially recognised when they are originated.

A financial asset or financial liability is initially measured at fair value plus, for an item not measured at Fair Value through Profit and Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

The exception to this is a trade receivable without a significant financing component which is initially measured at its transaction price.

II) CLASSIFICATION AND SUBSEQUENT MOVEMENT

Financial Assets

On initial recognition, a financial asset is classified and measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) - debt investment;
- FVOCI - equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held on the basis of different classes of assets. The objectives of the business are considered when determining the business model type.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt instruments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A Financial liability is classified as FVTPL if it is classified as held-for-trading it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

IMPAIRMENT OF ASSETS

At the end of each reporting period the Company determines whether there is evidence of impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents and are presented within current liabilities on the Statement of Financial Position.

Notes to the Financial Statements

For the year ended 31 March 2022

REVENUE & OTHER INCOME

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

A) INTEREST REVENUE

Interest revenue is recognised when received.

B) DIVIDEND REVENUE

Dividends are recognised when the right to receive payment is established.

C) OTHER INCOME

Other income is recognised on an accruals basis when the Company is entitled to it.

GOODS AND SERVICES TAX (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

COMPARATIVE AMOUNTS

Comparatives are consistent with prior years, unless otherwise stated.

Notes to the Financial Statements

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Note 2 Revenue and Other Income			
REVENUE			
Other revenue		-	6,099
Total Revenue		**-**	**6,099**
Note 3 Cash and Cash Equivalents			
CASH AND CASH EQUIVALENTS			
Cash at bank		111,957	21,435
Total Cash and Cash Equivalents		**111,957**	**21,435**
Note 4 Trade and Other Receivables			
CURRENT			
Loan - Losugen Pty Ltd		411,838	315,521
Total Current Trade and Other Receivables		**411,838**	**315,521**
Note 5 Other Financial Assets			
CURRENT			
Shares in Losugen Pty Ltd		13,879,113	13,879,113
Total Current Other Financial Assets		**13,879,113**	**13,879,113**
Note 6 Income Tax			
CURRENT ASSETS			
Income tax		3,718	103,920
Total Current Tax Assets		**3,718**	**103,920**
NON CURRENT ASSETS			
Deferred tax asset		150,943	122,598
Total Non Current Tax Assets		**150,943**	**122,598**
Note 7 Trade and Other Payables			
CURRENT			
Interest payable		1,178,883	643,715
Trade creditors		10,067	7,660
Withholding taxes payable		5,050	5,263
Total Current Trade and Other Payables		**1,194,000**	**656,638**

Notes to the Financial Statements

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Note 8 Borrowings			
NON CURRENT			
Loan - Tega Holdings Pte Ltd		7,146,163	7,146,163
Total Non Current Borrowings		**7,146,163**	**7,146,163**
Note 9 Share Capital			
Fully paid ordinary shares		5,000	5,000
Total Share Capital		**5,000**	**5,000**
Note 10 Retained Earnings			
Opening Balance		6,634,787	7,053,955
Current Year Earnings		(422,381)	(419,168)
Total Retained Earnings		**6,212,406**	**6,634,787**

Directors Declaration

In the opinion of the Directors of Tega Holdings Pty Ltd (the "Company"):

a) The Company is not publicly accountable nor a reporting entity;

b) The financial statements and notes, as set out in these financial statements, are prepared in accordance with the basis of accounting described in Note 1, and other mandatory reporting requirements, so as to present fairly the financial position of the Company as at 31 March 2022 and its performance, as represented by the results of its operations for the financial year ended on that date; and

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In respect of the year ended 31 March 2022 the Company has:

a) Kept such accounting records as to correctly record and explain its transactions and financial position;

b) Kept its accounting records so that a true and fair financial report of the Company can be prepared from time to time; and

c) Kept its accounting records so that the financial report of the Company can be conveniently and properly audited or reviewed in accordance with the Corporations Act 2001.

Signed in accordance with a resolution of the Directors.

Joe Viranna

Satyamurti Joe Viranna
Director
Date: 21/06/2022

Detailed Operating Statement

For the year ended 31 March 2022

	Note	Mar 2022 $	Mar 2021 $
Revenue	2	-	6,099
EXPENSES			
Professional fee		12,140	16,702
Filing fee		276	273
Total Expenses		**12,416**	**16,975**
EBIT		**(12,416)**	**(10,876)**
Interest Income		4	8,219
Less: Interest Expense		594,631	595,124
Loss before Income Tax		**(607,043)**	**(597,781)**

Tega Industries Africa Proprietary Limited
(Registration number 1984/010576/07)
Annual Financial Statements
for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Designing, manufacturing and marketing of rubber equipment for mining and allied industries
Directors	M. Mohanka M.M. Mohanka S.Y. Imam
Registered office	2 Uranium Road Vulcania Brakpan 1541
Holding company	Tega Investments South Africa Proprietary Limited incorporated in South Africa
Ultimate holding company	Tega Industries Limited incorporated in India
Bankers	ABSA Bank Limited Nedbank Limited Mercantile Bank
Auditor	PricewaterhouseCoopers Inc.
Secretary	The company had no secretary for the year under review
Company registration number	1984/010576/07
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: Melissa McGill CA(SA)
Issued	24 May 2022

Contents

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The directors are responsible for establishing and controlling the process for electronically distributing annual reports and financial information to the company's shareholder and to the Companies and Intellectual Property Commission.

The annual financial statements have been audited by the independent auditing firm, PricewaterhouseCoopers Inc., who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the board of directors and committees of the board of directors. The board of directors believes that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 6 to 8.

The directors report on pages 4 to 5 and the annual financial statements set out on pages 9 to 30, which have been prepared on the going concern basis, were approved by the board of directors on 24 May 2022 and were signed on their behalf by:

M. Mohanka

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Tega Industries Africa Proprietary Limited for the year ended 31 March 2022.

1. Nature of business

Tega Industries Africa Proprietary Limited was incorporated in South Africa with interests in the manufacturing and marketing of rubber equipment for mining and allied industries. The company operates principally in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Stated capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

The company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved to declare a dividend of RNil (2021: R150 000) for the financial year ended 31 March 2022.

5. Directorate

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

Directors	Nationality
M. Mohanka	Indian
M.M. Mohanka	Indian
S.Y. Imam	Indian

6. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the company had an interest and which significantly affected the business of the company.

7. Holding company

The company's holding company is Tega Investments South Africa Proprietary Limited which holds 100% (2021: 100%) of the company's equity. Tega Investments South Africa Proprietary Limited is incorporated in South Africa.

8. Ultimate holding company

The company's ultimate holding company is Tega Industries Limited which is incorporated in India.

9. Special resolutions

No special resolutions, the nature of which might be significant to the shareholder in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

Directors' Report

10. Events after the reporting period

On 23 February 2022, the Finance Minister announced in the Budget Speech that there will be a reduction in the corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023. The change in the tax rate is not considered to have been substantively enacted at the date of issue of the annual financial statements and is therefore not considered to be an adjusting post-balance sheet event. The reduction in the corporate tax rate is expected to impact the measurement of the deferred tax balances in future periods.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

11. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Auditor

PricewaterhouseCoopers Inc. will continue in office in accordance with section 90 of the Companies Act of South Africa.

13. Secretary

The company had no secretary for the year under review.

14. Impact of COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. As at the date of this report, South Africa has approximately 1.5 million confirmed cases of which 1.4 million recovered, the government has since eased the lockdown to adjustment level 1, which contains strict measures that South African citizens and businesses need to adhere to, to limit the spread of COVID-19. The government is currently trying to procure vaccines for its citizens.

The outbreak and the response of the government in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report. Management has assessed the cash flow forecast and has identified no significant issues in the near future. Management is confident that there are no plans to liquidate or to cease trading. Cash flow forecasts are prepared and monitored on a continuous basis. The company has identified no liquidity or solvency issues for the future.

15. Solvency and liquidity

The directors has performed the required liquidity and solvency tests as required by the Companies Act of South Africa.

16. Investment property

Management did obtain valuations with regard to Farm 110, portion 224, Klippoortjie, Gauteng during the financial year ended 31 March 2022 and did take it into consideration and found that there was no material impact on the Financial Position of the company.

Independent auditor's report

To the Shareholder of Tega Industries Africa Proprietary Limited

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tega Industries Africa Proprietary Limited (the Company) as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

What we have audited

Tega Industries Africa Proprietary Limited's financial statements set out on pages 9 to 30 comprise:

- the statement of financial position as at 31 March 2022;
- the statement of profit or loss and other 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, which include 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 Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Tega Industries Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2022, which includes the Directors’ Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor’s report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 the directors.
- Conclude on the appropriateness of the directors' 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.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: S Akoojee
Registered Auditor
Johannesburg, South Africa
24 May 2022

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	44,680,215	48,823,633
Investment property	3	7,800,000	7,800,000
		52,480,215	**56,623,633**
Current Assets			
Inventories	5	48,596,057	31,102,403
Trade and other receivables	6	76,422,997	54,008,025
Cash and cash equivalents	7	7,285,083	37,048,184
		132,304,137	**122,158,612**
Total Assets		**184,784,352**	**178,782,245**
Equity and Liabilities			
Equity			
Share capital	8	100	100
Retained income		134,862,605	106,440,590
		134,862,705	**106,440,690**
Liabilities			
Non-Current Liabilities			
Deferred tax	4	6,802,474	9,779,720
Current Liabilities			
Trade and other payables	10	37,749,536	26,936,540
Loans from group companies	9	-	30,918,469
Current tax payable		1,198,466	4,556,826
Dividend payable		-	150,000
Bank overdraft	7	4,171,171	-
		43,119,173	**62,561,835**
Total Liabilities		**49,921,647**	**72,341,555**
Total Equity and Liabilities		**184,784,352**	**178,782,245**

Statement of Profit or Loss and Other Comprehensive Income

	Notes	2022 R	2021 R
Revenue	11	286,942,346	218,633,625
Cost of sales	13	(196,803,821)	(137,589,711)
Gross profit		**90,138,525**	**81,043,914**
Other operating income	12	2,786,969	1,971,312
Other operating expenses	13	(52,766,752)	(40,456,950)
Operating profit		**40,158,742**	**42,558,276**
Investment income	14	381,393	495,798
Finance costs	15	(481,486)	(1,517,869)
Profit before taxation		**40,058,649**	**41,536,205**
Taxation	16	(11,636,634)	(14,207,666)
Profit for the year		**28,422,015**	**27,328,539**
Other comprehensive income		-	-
Total comprehensive income for the year		**28,422,015**	**27,328,539**

Statement of Changes in Equity

	Share capital R	Retained income R	Total equity R
Balance at 01 April 2020	**100**	**79,262,051**	**79,262,151**
Profit for the year	-	27,328,539	27,328,539
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**27,328,539**	**27,328,539**
Dividend declared	-	(150,000)	(150,000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(150,000)**	**(150,000)**
Balance at 01 April 2021	**100**	**106,440,590**	**106,440,690**
Profit for the year	-	28,422,015	28,422,015
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**28,422,015**	**28,422,015**
Balance at 31 March 2022	**100**	**134,862,605**	**134,862,705**
Note	8		

Statement of Cash Flows

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash generated from operations	17	17,090,685	29,581,408
Interest received		381,393	495,798
Interest paid		(481,486)	(1,517,869)
Tax paid	18	(17,972,240)	(4,245,801)
Net cash from operating activities		**(981,648)**	**24,313,536**
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(1,939,026)	(1,427,418)
Proceeds from sale of property, plant and equipment	2	54,871	-
Net cash from investing activities		**(1,884,155)**	**(1,427,418)**
Cash flows from financing activities			
Repayment of loans from group companies		(30,918,469)	-
Dividends paid		(150,000)	-
Net cash from financing activities		**(31,068,469)**	**-**
Total cash movement for the year		**(33,934,272)**	**22,886,118**
Cash at the beginning of the year		37,048,184	14,162,066
Total cash at end of the year	7	**3,113,912**	**37,048,184**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards for Small and Medium-sized Entities and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Allowance for slow moving, damaged and obsolete inventory

Management assesses whether inventory is impaired by comparing its cost to its estimated selling price less costs to complete and sell. Where an impairment is necessary, inventory items are written down to selling price less costs to compete and sell. The write down is included in operating expenses.

Residual values and expected useful lives

Residual values and useful lives of property, plant and equipment are assessed when there is an indication of a material change. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with the expected proceeds likely to be realised when assets are disposed off at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation charges and carrying values of property, plant and equipment in future. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Expected manner of realisation of deferred tax

Deferred taxation assets are recognised to the extent that it is probable that taxable income will be available in the future against which these can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.. Refer to note 4 - Deferred tax.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertin during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues base on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the forseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement. Subsequently, investment property is recognised at fair value. Land is not depreciated.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

1.4 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Accounting Policies

1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 Years
Furniture and fixtures	Straight line	10 to 20 Years
IT equipment	Straight line	5 to 10 Years
Land	Straight line	Indefinite
Motor vehicles	Straight line	5 to 10 Years
Office equipment	Straight line	20 Years
Plant and machinery	Straight line	10 to 20 Years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.5 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Accounting Policies

1.5 Financial instruments (continued)

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Impairment of financial assets

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determines the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale. Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Accounting Policies

1.5 Financial instruments (continued)

Loans to (from) group companies

These include loans to and from holding companies and fellow subsidiaries are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables, and are subsequently measured at amortised cost.

Loans from group companies are classified as financial liabilities measured at amortised cost, and are subsequently measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables
Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at amortised cost.

Bank overdraft

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

1.6 Taxation

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.6 Taxation (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.8 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the weighted average cost basis.

Inventories includes a "right to returned goods asset" which represents the company right to recover products from customers where customers exercise their right of return under the company returns policy. The company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. A corresponding adjustment is recognised against cost of sales.

1.9 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Accounting Policies

1.9 Impairment of assets (continued)

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as .

1.11 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.12 Provisions and contingencies

Provisions are recognised when:
- the company has a present obligation 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
- a reliable estimate can be made of the obligation.

Contingent assets and contingent liabilities are not recognised.

1.13 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:
- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Accounting Policies

1.13 Revenue (continued)

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the Annual Financial Statements

	2022 R	2021 R

2. Property, plant and equipment

	2022			2021		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Land	8,966,709	-	8,966,709	8,966,709	-	8,966,709
Buildings	27,415,655	(9,286,147)	18,129,508	27,415,655	(7,948,920)	19,466,735
Plant and machinery (including moulds)	63,032,920	(46,901,490)	16,131,430	61,382,052	(42,328,133)	19,053,919
Furniture and fixtures	956,992	(420,821)	536,171	956,992	(374,666)	582,326
Motor vehicles	1,080,829	(1,080,829)	-	1,080,829	(1,080,829)	-
Office equipment	318,172	(178,604)	139,568	318,172	(165,250)	152,922
IT equipment	3,619,874	(2,843,045)	776,829	3,505,726	(2,904,704)	601,022
Total	**105,391,151**	**(60,710,936)**	**44,680,215**	**103,626,135**	**(54,802,502)**	**48,823,633**

Reconciliation of property, plant and equipment - 2022

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Closing balance**
Land	8,966,709	-	-	-	8,966,709
Buildings	19,466,735	-	-	(1,337,227)	18,129,508
Plant and machinery (including moulds)	19,053,919	1,650,867	-	(4,573,356)	16,131,430
Furniture and fixtures	582,326	-	-	(46,155)	536,171
Office equipment	152,922	-	-	(13,354)	139,568
IT equipment	601,022	288,159	(33,650)	(78,702)	776,829
	48,823,633	**1,939,026**	**(33,650)**	**(6,048,794)**	**44,680,215**

Reconciliation of property, plant and equipment - 2021

	Opening balance	**Additions**	**Disposals**	**Depreciation**	**Closing balance**
Land	8,966,709	-	-	-	8,966,709
Buildings	20,803,962	-	-	(1,337,227)	19,466,735
Plant and machinery (including moulds)	22,978,138	958,285	-	(4,882,504)	19,053,919
Furniture and fixtures	617,005	11,380	-	(46,059)	582,326
Motor vehicles	3,961	-	-	(3,961)	-
Office equipment	166,276	-	-	(13,354)	152,922
IT equipment	250,572	457,753	(56,785)	(50,518)	601,022
	53,786,623	**1,427,418**	**(56,785)**	**(6,333,623)**	**48,823,633**

Details of properties

Erf 98, 99, 101 Vulcania Extension 2, Brakpan, Ekhuruleni Metropolitan Municipality, Gauteng, held under title deed T27531/2013

	2022	2021
- Purchase price: 1 March 2013	35,454,264	35,454,264
- Additions since purchase or valuation	1,688,474	1,688,474
- Accumulated depreciation	(9,286,147)	(7,948,920)
- Disposals	(760,374)	(760,374)
	27,096,217	**28,433,444**

Notes to the Annual Financial Statements

	2022 R	2021 R

3. Investment property

	2022		2021	
	Cost / Valuation	**Carrying value**	**Cost / Valuation**	**Carrying value**
Investment property	7,800,000	7,800,000	7,800,000	7,800,000

Reconciliation of investment property - 2022

	Opening balance	**Total**
Investment property	7,800,000	7,800,000

Reconciliation of investment property - 2021

	Opening balance	**Total**
Investment property	7,800,000	7,800,000

Valued by: SAIV on 21 April 2022, Independent valuer and appraiser for the Master of the Supreme Court (Pretoria) and has the appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

Directors have decided that the difference between fair value and stated value is not significant

Details of property

Farm number 110, portion 224, Klippoortjie, Gauteng, held under title deednumber T38235/2009

	2022	2021
- Purchase price: 1 December 2017	6,142,125	6,142,125
- Capitalised expenditure	576,934	576,934
- Fair value adjustments in previous years	1,080,941	1,080,941
	7,800,000	**7,800,000**

4. Deferred tax

Deferred tax (liabilities) / assets

	2022	2021
Accelerated capital allowances on property, plant and equipment	(9,400,452)	(10,629,771)
Investment property	(242,131)	(242,131)
Provision for leave pay	174,654	176,247
Bonus provision	95,161	117,850
Provision for doubtful debt	529,837	328,721
Provision for obsolete inventory	1,701,541	469,364
Income received in advance	355,073	-
Prepayments	(16,157)	-
Total deferred tax liability	**(6,802,474)**	**(9,779,720)**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2022	2021
Deferred tax liability	(6,802,474)	(9,779,720)

Notes to the Annual Financial Statements

	2022 R	2021 R

4. Deferred tax (continued)

Reconciliation of deferred tax liability

	2022 R	2021 R
At beginning of year	(9,779,720)	(4,750,752)
Property, plant and equipment (excl land)	1,229,321	184,872
Prior period adjustment	-	(2,422,926)
Income received in advance	355,073	-
Provision for leave pay	(1,594)	(5,189)
Provision for bonus	(22,689)	78,560
Prepayments	(16,157)	-
Estimated tax losses carried forward	-	(2,103,085)
Provision for doubtful debt	201,116	160,413
Provision for obsolete inventory	1,232,176	(921,613)
	(6,802,474)	**(9,779,720)**

5. Inventories

	2022 R	2021 R
Raw materials, components	33,547,268	20,505,860
Work in progress	1,492,917	1,174,538
Finished goods	7,589,641	3,876,640
Goods in transit	5,966,231	5,545,365
	48,596,057	**31,102,403**

The company has taken provision of R6 076 931 (2021: R6 450 158) against slow moving, non-moving and obsolete inventory.

Inventories recognised as an expense during the year ended 31 March 2022 amount to R161 900 089 (2021: R100 696 374), these were included as cost of sales in profit or loss.

6. Trade and other receivables

	2022 R	2021 R
Financial instruments:		
Trade receivables	71,837,605	52,746,641
Trade receivables - related parties	25,887	1,421,911
Loss allowance	(3,153,794)	(1,956,676)
Trade receivables at amortised cost	68,709,698	52,211,876
Deposits	833,427	833,427
Other receivable	1,826,599	560,482
Non-financial instruments:		
Value added taxation	4,995,570	195,928
Withholding tax	-	110,436
Prepayments	57,703	95,876
Total trade and other receivables	**76,422,997**	**54,008,025**

Split between non-current and current portions

	2022 R	2021 R
Current assets	76,422,997	54,008,025

Notes to the Annual Financial Statements

	2022 R	2021 R

6. Trade and other receivables (continued)

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS applicable to small and medium sized entities:

	2022 R	2021 R
At amortised cost	71,369,724	53,605,785
Non-financial instruments	5,053,273	402,240
	76,422,997	**54,008,025**

Trade and other receivables pledged as security

No Trade and other receivables were pledged as security.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022 R	2021 R
Cash on hand	24,250	41,376
Bank balances	7,260,833	37,006,808
Bank overdraft	(4,171,171)	-
	3,113,912	**37,048,184**
Current assets	7,285,083	37,048,184
Current liabilities	(4,171,171)	-
	3,113,912	**37,048,184**

	2022	2021
The following ratings were obtained from Moody's		
ABSA Bank	Ba1	Baa3
Nedbank	Ba1	Baa3
Mercantile Bank	Baa1	Baa3

	2022 R	2021 R
The following facilities are in place with ABSA		
Amount ceded	38,290	38,290
The following facilities are in place with Nedbank Limited		
General banking facility	17,000,000	-
Revolving credit line facility	2,000,000	-
Securities	10,000,000	-
	29,038,290	**38,290**

Notes to the Annual Financial Statements

	2022 R	2021 R
8. Share capital		
Authorised		
4 000 Ordinary shares	-	-

Unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

	2022 R	2021 R
Issued		
100 Ordinary shares fully paid	100	100

9. Loans from group companies

	2022 R	2021 R
Tega Holdings Pte Ltd (Singapore)	-	30,918,469

This loan is unsecured, bears interest at USD 3 months Libor + 300 BPS (2021 : USD 3 months Libor + 300 BPS) per annum, has no fixed terms of repayment and is denominated in US Dollars. The loan was paid off in the current year.

Split between non-current and current portions

	2022 R	2021 R
Current liabilities	-	30,918,469

10. Trade and other payables

	2022 R	2021 R
Financial instruments:		
Trade payables	10,594,147	6,866,413
Trade payables - related parties	12,512,061	13,166,154
Employee costs payable	1,512,942	1,586,158
PAYE payable	548,146	375,200
Other accrued expenses	12,169,583	4,942,615
Withholding taxes	412,657	-
	37,749,536	**26,936,540**

11. Revenue

	2022 R	2021 R
Sale of goods	286,942,346	218,633,625

12. Other operating income

	2022 R	2021 R
Discount received	1,684,859	1,349,610
Profit on sale of property, plant and equipment	21,221	-
Other Income	1,080,889	621,702
	2,786,969	**1,971,312**

Notes to the Annual Financial Statements

	2022 R	2021 R
13. Expenses by nature		
Cost of sales		
Changes in inventories of finished goods and work in progress	(4,030,509)	6,597,845
Raw materials and consumables used	161,900,089	100,696,374
Repairs and maintenance	2,905,627	1,449,675
Utilities	3,650,312	3,192,145
Depreciation	4,573,357	4,882,503
Transport	12,538,684	7,358,021
Employee costs	13,401,678	11,299,446
Other	1,864,583	2,113,702
	196,803,821	**137,589,711**
Operating expenses		
Audit fees	887,668	425,497
Advertising	246,652	92,078
Bank charges	224,045	223,472
Bad debts	1,197,118	1,387,124
Car hire charges	762,691	820,360
Commission paid	4,489,381	2,765,164
Donations	1,810,761	5,000
Employee costs	18,269,309	17,850,767
Entertainment	286,975	232,539
Consulting and professional fees	4,751,850	4,361,959
Depreciation	1,475,437	1,451,120
Fixed Assets discarded or written off	13,304	56,782
Insurance	1,474,896	1,115,489
IT expenses	300,629	294,983
Loss on exchange differences	4,548,950	530,330
Motor vehicle expenses	1,808,012	1,070,641
Packaging	1,320,278	1,616,991
Security	1,089,221	1,059,192
Staff welfare	575,648	334,255
Telephone and fax	675,894	644,152
Training	1,638,000	159,419
Travel expenses	1,450,149	354,921
Other expenses	3,469,884	3,604,715
	52,766,752	40,456,950
	249,570,573	**178,046,661**

14. Investment income

	2022 R	2021 R
Interest income		
Investments in financial assets:		
Bank and other cash	381,393	495,798

15. Finance costs

	2022 R	2021 R
Bank overdraft	41,527	681,402
Interest on loans	439,027	834,817
Other interest paid	932	1,650
Total finance costs	**481,486**	**1,517,869**

Notes to the Annual Financial Statements

	2022 R	2021 R

16. Taxation

Major components of the tax expense

	2022 R	2021 R
Current		
Local income tax - current period	14,613,880	9,178,698
Deferred		
Originating and reversing temporary differences	(2,977,246)	2,606,042
Arising from prior period adjustments	-	2,422,926
	(2,977,246)	**5,028,968**
	11,636,634	**14,207,666**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2022 R	2021 R
Accounting profit	40,058,649	41,536,205
Tax at the applicable tax rate of 28% (2021: 28%)	11,216,422	11,630,137
Tax effect of adjustments on taxable income		
Prior year under provision - deferred tax	-	2,422,926
Non-deductible expenses	420,212	154,603
	11,636,634	**14,207,666**

17. Cash generated from operations

	2022 R	2021 R
Profit before taxation	40,058,649	41,536,205
Adjustments for:		
Depreciation and amortisation	6,048,794	6,333,623
(Profit) / Losses on disposals, scrappings and settlements of assets and liabilities	(21,221)	56,785
Interest income	(381,393)	(495,798)
Finance costs	481,486	1,517,869
Revaluation of loan account	-	(5,235,609)
Changes in working capital:		
Inventories	(17,493,654)	(1,029,226)
Trade and other receivables	(22,414,972)	(17,948,412)
Trade and other payables	10,812,996	4,845,971
	17,090,685	**29,581,408**

18. Tax paid

	2022 R	2021 R
Balance at beginning of the year	(4,556,826)	376,071
Current tax for the year recognised in profit or loss	(14,613,880)	(9,178,698)
Balance at end of the year	1,198,466	4,556,826
	(17,972,240)	**(4,245,801)**

	2022 R	2021 R

19. Related parties

Relationships

Ultimate holding company	Tega Industries Limited
Holding company	Tega Investments South Africa Proprietary Limited
Holding company Directors	S.Y Imam M.M. Mohanka M. Mohanka
Group companies	Tega Investments Limited (Bahamas) Tega Industries Chile SpA Tega Industries Incorporated (USA) Tega do Brasil Servicos Technicas Limited Tega Industries Canada Incorporated Tega Holdings PTE Limited Losugen Proprietary Limited

Related party balances

Amounts included in Trade receivables(Trade payables) regarding related parties - 2022	**SGD**	**USD**	**ZAR**	**Total in ZAR**
Tega Industries Limited	-	(850,969)	-	(12,326,120)
Tega Holdings Pte Ltd (Singapore)	(17,379)	-	-	(185,941)
Tega Investments Africa Proprietary Limited	-	-	25,887	25,887
	(17,379)	**(850,969)**	**25,887**	**(12,486,174)**

Amounts included in Trade receiveables(Trade payables) regarding related parties - 2021	**SGD**	**USD**	**ZAR**	**Total in ZAR**
Tega Industries Limited	-	(845,235)	-	(12,602,537)
Tega Industries Limited	-	95,366	-	1,421,911
Tega Holdings Pte Limited (Singapore)	(50,954)	-	-	(563,617)
	(50,954)	**(749,869)**	**-**	**(11,744,243)**

Loan accounts - Owing (to) by related parties - 2022	**EURO**	**USD**	**ZAR**	**Total in ZAR**
Tega Holdings Pte Ltd (Singapore)	-	-	-	-

Loan accounts - Owing (to) by related parties - 2021	**EURO**	**USD**	**ZAR**	**Total in ZAR**
Tega Investments Limited (Bahamas)	-	(2,073,659)	-	(30,918,469)

Trade receivables from related parties are due within 30 to 90 days. Trade payables to related parties are payable within 30 to 90 days.

Notes to the Annual Financial Statements

	2022 R	2021 R

19. Related parties (continued)

Related party transactions

Principal and Interest paid to related parties - 2022	**USD**	**ZAR**	**Total in ZAR**
Tega Holdings Pte Ltd (Singapore) - Principal	(1,624,400)	-	(25,128,864)
Tega Holdings Pte Ltd (Singapore) - Interest	(478,856)	-	(6,228,538)
	(2,103,256)	**-**	**(31,357,402)**

Interest paid to related parties - 2021	**USD**	**ZAR**	**Total in ZAR**
Tega Investments Limited (Bahamas)	8,822	-	153,961
Tega Holdings Pte Ltd (Singapore)	45,631	-	680,356
	54,453	**-**	**834,317**

Purchases from (sales to) related parties - 2022	**SGD**	**USD**	**ZAR**	**Total in ZAR**
Tega Industries Limited	-	7,539,093	-	112,438,470
Tega Industries Limited	-	(81,583)	-	(1,218,084)
Tega Holdings Pte Ltd (Singapore)	75,081	29,397	-	1,272,458
Tega Investments South Africa Proprietary Limited	-	-	(25,887)	(25,887)
Tega Investments South Africa Proprietary Limited	-	-	150,000	150,000
	75,081	**7,486,907**	**124,113**	**112,616,957**

Purchases from (sales to) related parties - 2021	**SGD**	**USD**	**ZAR**	**Total in ZAR**
Tega Industries Limited	-	3,547,983	-	57,577,020
Tega Industries Limited	-	(101,963)	-	(1,526,216)
Tega Holdings PTE Limited	50,954	-	-	563,617
	50,954	**3,446,020**	**-**	**56,614,421**

20. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Notes	**Amortised cost**	**Total**	**Fair value**
Trade and other receivables	6	71,369,724	71,369,724	71,369,724
Cash and cash equivalents	7	7,285,083	7,285,083	7,285,083
		78,654,807	**78,654,807**	**78,654,807**

2021

	Notes	**Amortised cost**	**Total**	**Fair value**
Trade and other receivables	6	53,605,785	53,605,785	53,605,785
Cash and cash equivalents	7	37,048,184	37,048,184	37,048,184
		90,653,969	**90,653,969**	**90,653,969**

Notes to the Annual Financial Statements

	2022 R	2021 R

20. Financial instruments and risk management (continued)

Categories of financial liabilities

2022

	Notes	**Amortised cost**	**Total**	**Fair value**
Trade and other payables	10	37,201,389	37,201,389	37,201,389
Bank overdraft	7	4,171,171	4,171,171	4,171,171
		41,372,560	**41,372,560**	**41,372,560**

2021

	Note(s)	**Amortised cost**	**Total**	**Fair value**
Trade and other payables	10	26,561,340	26,561,340	26,561,340
Loans from group companies	9	30,918,469	30,918,469	30,918,469
Dividend payable		150,000	150,000	150,000
		57,629,809	**57,629,809**	**57,629,809**

21. Directors' emoluments

The registered directors' in office for the current year have not received remuneration from the company.

22. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The director directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

23. Events after the reporting period

On 23 February 2022, the Finance Minister announced in the Budget Speech that there will be a reduction in the corporate income tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023. The change in the tax rate is not considered to have been substantively enacted at the date of issue of the annual financial statements and is therefore not considered to be an adjusting post-balance sheet event. The reduction in the corporate tax rate is expected to impact the measurement of the deferred tax balances in future periods.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

ANNEXURE H

Tega Investments South Africa Proprietary Limited
(Registration number 2006/011811/07)
Financial statements
for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The main business activity of the company is that of investment holdings and all business related thereto
Directors	Mehul Mohanka Madan Mohan Mohanka Syed Yaver Imam
Registered office	2 Uranium Road Vulcania Brakpan Johannesburg 1554
Business address	2 Uranium Road Vulcania Brakpan Johannesburg 1554
Postal address	PO Box 268 Florida Hills 1716
Holding company	Tega Holdings Pte Ltd incorporated in Singapore
Ultimate holding company	Tega Industries Limited incorporated in India
Bankers	ABSA Bank Limited
Auditor	Johan Bam & Partners Chartered Accountant (SA)
Company registration number	2006/011811/07
Tax reference number	9977/654/14/5
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The financial statements were independently compiled by: Melissa McGill CA(SA)
Issued	14 May 2022

Contents

The reports and statements set out below comprise the financial statements presented to the shareholder:

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, They are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor were given unrestricted access to all financial records and related data, including minutes of meetings. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and their report is presented on pages 6 to 7.

The financial statements set out on pages 4 to 17, which have been prepared on the going concern basis, were approved by the board of directors on 14th May 2022 and were signed on its behalf by:

Mohanka

M. Mohanka

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Tega Investments South Africa Proprietary Limited for the year ended 31 March 2022.

1. Nature of business

Tega Investments South Africa Proprietary Limited was incorporated in South Africa and is an investment holding company. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Share capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 March 2022 (2021: R0).

5. Directors

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

Directors
Mehul Mohanka
Madan Mohan Mohanka
Syed Yaver Imam

There have been no changes to the directorate for the period under review.

6. Holding company

The company's holding company is Tega Holdings Pte Ltd which holds 100% (2021: 100%) of the company's equity. Tega Holdings Pte Ltd is incorporated in Singapore.

7. Ultimate holding company

The company's ultimate holding company is Tega Industries Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

9. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Directors' Report

10. Auditors

Johan Bam & Partners continued as auditors for the company for 2022 in accordance with Section 90 of the Companies Act of South Africa.

11. Secretary

The company had no secretary for the year under review.

12. Solvency and liquidity

The directors has performed the required liquidity and solvency tests as required by the Companies Act of South Africa.

13. Consolidated financial statements

The company has decided not to prepare consolidated financial statements as the ultimate holding company, Tega Industries Limited (incorporated in India) prepares consolidated financial statements. This exemption is allowed under Section 9 of the International Financial Reporting Standard for Small and Medium-sized Entities.

Johan Bam & Partners / Vennote
Chartered Accountants (S.A.)
Geoktrooieerde Rekenmeesters (S.A.)

Tel: 011 869 2528 / 010 590 5994
Fax: 086 690 0751
Cell: 082 907 1213
Email: johan@jbvca.co.za
www.jbvca.co.za
Practice No: 902103

10 Chasewater Str
New Redruth
PO Box 1205
Alberton
1450

Independent Auditor's Report

To the shareholder of Tega Investments South Africa Proprietary Limited

Opinion

I have audited the financial statements of Tega Investments South Africa Proprietary Limited set out on pages 8 to 17, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Tega Investments South Africa Proprietary Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

Auditor's responsibilities for the audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 the directors.
- Conclude on the appropriateness of the directors' 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Johan Bam & Partners

Johan Bam & Partners
Johan Bam
Partner
Chartered Accountant (SA)
Registered Auditors

14 May 2022

Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Assets			
Investment in subsidiary	2	9 317 231	9 317 231
Current Assets			
Cash and cash equivalents	3	139 777	-
Total Assets		**9 457 008**	**9 317 231**
Equity and Liabilities			
Equity			
Stated capital	4	2 125 800	2 125 800
Retained income		7 269 535	7 169 701
		9 395 335	**9 295 501**
Liabilities			
Current Liabilities			
Trade and other payables	5	61 673	21 291
Bank overdraft	3	-	439
		61 673	**21 730**
Total Liabilities		**61 673**	**21 730**
Total Equity and Liabilities		**9 457 008**	**9 317 231**

Statement of Comprehensive Income

	Note(s)	2022 R	2021 R
Other income		2 974	-
Operating expenses		(53 140)	(23 942)
Operating loss	6	**(50 166)**	**(23 942)**
Investment revenue		150 000	-
Profit (loss) before taxation		**99 834**	**(23 942)**
Taxation	7	-	-
Profit (loss) for the year		**99 834**	**(23 942)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**99 834**	**(23 942)**

Statement of Changes in Equity

	Stated capital R	Retained income R	Total equity R
Balance at 01 April 2020	**2 125 800**	**7 193 643**	**9 319 443**
Loss for the year	-	(23 942)	(23 942)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	**-**	**(23 942)**	**(23 942)**
Balance at 01 April 2021	**2 125 800**	**7 169 701**	**9 295 501**
Profit for the year	-	99 834	99 834
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**99 834**	**99 834**
Balance at 31 March 2022	**2 125 800**	**7 269 535**	**9 395 335**
Notes	4		

Statement of Cash Flows

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash used in operations	8	(9 784)	(22 652)
Dividends received		150 000	-
Net cash from operating activities		**140 216**	**(22 652)**
Total cash movement for the year		**140 216**	**(22 652)**
Cash at the beginning of the year		(439)	22 213
Total cash at end of the year	3	**139 777**	**(439)**

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, except where otherwise stated, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of its assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.2 Investment in subsidiary

Investment in subsidiary is measured at cost less any accumulated impairment losses.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Accounting Policies

1.3 Financial instruments (continued)

Financial instruments at amortised cost

These include trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Accounting Policies

1.5 Impairment of assets

The company assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.6 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.7 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

1.8 Statement of cash flows

The statement of cash flows is prepared on the direct method, whereby the major classes of gross receipts and gross cash payments are disclosed.

For the purposes of the cash flow statements, cash and cash equivalents comprise of cash on hand and deposits held on call with banks net of bank overdrafts, all of which are available for use by the company unless otherwise stated.

Investing and financing operations that do not require the use of cash and cash equivalents are excluded from the cash flow statement.

Notes to the Financial Statements

	2022 R	2021 R

2. Investment in subsidiary

Name of subsidiary	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Tega Industries Africa Proprietary Limited	100,00 %	100,00 %	9 317 231	9 317 231

The carrying amounts of subsidiaries are shown gross of impairment losses.

3. Cash and cash equivalents

Cash and cash equivalents consist of:

	2022 R	2021 R
Bank balances	139 777	-
Bank overdraft	-	(439)
	139 777	**(439)**
Current assets	139 777	-
Current liabilities	-	(439)
	139 777	**(439)**
Credit rating		
ABSA Bank Limited	Ba2	Ba1

4. Stated capital

	2022 R	2021 R
Authorised		
1 000 Ordinary shares	-	-
Issued		
400 Ordinary shares	2 125 800	2 125 800

5. Trade and other payables

	2022 R	2021 R
Trade payables	35 786	21 291
Amounts due to related parties	25 887	-
	61 673	**21 291**

6. Operating loss

Operating loss for the year is stated after accounting for the following:

	2022 R	2021 R
Income from subsidiary		
Dividends	150 000	-
Other expenses		
Audit fees	21 290	21 290
Bank charges	2 515	2 386
Consulting fees	29 335	266
	53 140	**23 942**
Profit on exchange differences	(2 974)	-

Notes to the Financial Statements

	2022 R	2021 R

7. Taxation

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2022 R	2021 R
Accounting profit (loss)	99 834	(23 942)
Tax at the applicable tax rate of 28% (2021: 28%)	27 954	(6 704)
Tax effect of adjustments on taxable income		
Exempt income		
Dividend received	(42 000)	-
	(42 000)	**-**
Other		
Deferred tax asset not raised	14 046	6 704
	14 046	**6 704**
	-	-

No provision has been made for 2022 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R 1 098 989 (2021: R 1 048 823).

8. Cash used in operations

	2022 R	2021 R
Profit (loss) before taxation	99 834	(23 942)
Adjustments for:		
Dividends received	(150 000)	-
Changes in working capital:		
Trade and other payables	40 382	1 290
	(9 784)	**(22 652)**

9. Related parties

Relationships	
Ultimate holding company	Tega Industries Limited
Holding company	Tega Holdings Pte Ltd
Subsidiary	Refer to note 2
Directors	SY Imam
	M Mohanka
	MM Mohanka

Related party balances

	2022 R	2021 R
Amounts included in trade and other payables regarding related parties		
Tega Industries Africa Proprietary Limited	25 887	-

Related party transactions

	2022 R	2021 R
Dividends received from related parties		
Tega Industries Africa Proprietary Limited	150 000	-

10. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year (2021: R-).

Notes to the Financial Statements

	2022 R	2021 R

11. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of issue of this report.

13. Consolidated financial statements

The company has decided not to prepare consolidated financial statements as the ultimate holding company, Tega Industries Limited (incorporated in India) prepares consolidated financial statements. This exemption is allowed under Section 9 of the International Financial Reporting Standard for Small and Medium-sized Entities.

14. Categories of financial instruments

Categories of financial instruments - 2022	**Loans and receivables**	**Financial liabilities at amortised cost**
Trade and other payables	-	61 673
Cash and cash equivalents	139 777	-
	139 777	**61 673**

Categories of financial instruments - 2021	**Loans and receivables**	**Financial liabilities at amortised cost**
Trade and other payables	-	21 291
Cash and cash equivalents	-	439
	-	**21 730**

ANNEXURE I

R&A CPAs

A PROFESSIONAL CORPORATION

Tega Industries, Inc.

(A wholly~owned subsidiary of Tega Industries Limited)

Financial Statements, Other Information, and Independent Auditors' Report

Years Ended March 31, 2022 and 2021

Contents

R&A CPAs
A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tega Industries, Inc.
Tucson, Arizona

To the Shareholder of Tega Industries, Inc.

Opinion

We have audited the financial statements of Tega Industries, Inc., which comprise the balance sheets as at March 31, 2022 and 2021, and the statements of operations, statements of changes in shareholders' equity, and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, the accompanying financial statements present fairly in all material respects the financial position of Tega Industries, Inc. as at March 31, 2022 and 2021, and its financial performance and its cash flows for the year then ended in accordance with Indian Accounting Standards ("IND AS").

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 are independent of Tega Industries, Inc. in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States of America, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IND AS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Tega Industries, Inc.'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 Tega Industries, Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Tega Industries, Inc.'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 judgment 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 Tega Industries, Inc.'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 Tega Industries, Inc.'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 Tega Industries, Inc. 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 those charged with governance 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.

Other Information

Management is responsible for the other information. The other information comprises the special purpose financial information and notes of Tega Industries Inc. as of March 31, 2022 and 2021, but does not include the financial statements and our auditor's report 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.

A Professional Corporation

Tucson, Arizona
May 13, 2022

BALANCE SHEETS AS OF MARCH 31, 2022 AND 2021

ASSETS	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	$ 536,103	$ 192,685
Accounts receivable, net of allowance for doubtful accountsof $14,936 and $6,339, respectively	1,146,200	1,739,835
Inventories, net of reserve for obsolescence of $16,508 and $16,508, respectively	1,125,969	1,182,647
Prepaid expenses	34,366	45,203
Due from related parties	74,730	-
Prepaid income taxes	136,727	20,183
Employee advances	13,730	12,300
Deposits	1,300	1,300
Total current assets	3,069,125	3,194,153
LONG-TERM ASSETS:		
Property and equipment, net of accumulated depreciation of $114,486 and $93,361, respectively	86,130	93,236
Deferred tax asset	16,622	15,902
Total long-term assets	102,752	109,138
TOTAL ASSETS	$ 3,171,877	$ 3,303,291
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 12,324	$ 94,843
Income taxes payable	-	189,997
Accrued expenses	129,613	92,315
Due to related parties	613,296	552,749
Total current liabilities	755,233	929,904
SHAREHOLDERS' EQUITY:		
Common stock – 5,000 shares of $100 par value authorized; 2,000 shares issued and outstanding	200,000	200,000
Retained earnings	2,216,644	2,173,387
Total shareholders' equity	2,416,644	2,373,387
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,171,877	$ 3,303,291

Statements of Operations for the Years Ended March 31, 2022 and 2021

Net Income	2022	2021
REVENUES:		
Sales, net of returns, discounts and allowances	$ 5,115,551	$ 7,147,314
Freight income	77,738	44,068
Total revenues	5,193,289	7,191,382
COST OF SALES:		
Product	3,904,165	5,212,803
Freight	234,131	242,973
Total cost of sales	4,138,296	5,455,776
Gross profit	1,054,993	1,735,606
OPERATING EXPENSES:		
Wages	445,429	377,303
Professional services	325,949	141,104
Advertising	201,070	-
Employee benefits	133,433	85,259
Travel expenses	44,275	10,571
Commissions and selling costs	43,625	109,005
Payroll taxes	32,566	26,230
Insurance	27,385	22,592
Rent	26,035	24,494
Vehicle expenses	22,674	16,596
Depreciation	21,125	6,636
Telephone and utilities	12,244	10,895
Office supplies and other	10,349	8,431
Dues and subscriptions	4,527	3,020
Postage and miscellaneous	2,131	11,202
Reimbursed expenses	(369,566)	-
Total operating expenses	983,251	853,338
Income from operations	71,742	882,268
Other income (expense):		
Currency translation	1,325	3,884
Interest income	27	-
Bad debt expense	(8,597)	-
PPP loan forgiveness	-	58,756
Gain on sale of property and equipment	-	5,000
Interest expense	-	(553)
Penalties	-	(4,091)
Total other income (expense)	(7,245)	62,996
NET INCOME BEFORE TAXES	64,497	945,264
Provision for income taxes	21,240	195,507
NET INCOME	$ 43,257	$ 749,757

The accompanying notes are an integral part of these financial statements.
See Independent Auditors' Report.

Statements of Changes in Shareholders' Equity for the Years Ended March 31, 2022 and 2021

	Shares	Common stock	Retained earnings	Total shareholders' equity
Shareholders' Equity				
BALANCE, MARCH 31, 2020	2,000	200,000	$ 1,423,630	$ 1,623,630
Net income	-	-	749,757	749,757
BALANCE, MARCH 31, 2021	2,000	200,000	2,173,387	2,373,387
Net income	-	-	43,257	43,257
BALANCE, MARCH 31, 2022	2,000	200,000	$ 2,216,644	$ 2,416,644

Statements of Cash Flows for the Years Ended March 31, 2022 and 2021

Cash Flows from Operating Activities	2022	2021
NET INCOME	$ 43,257	$ 749,757
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	21,125	6,636
Allowance for doubtful accounts	8,597	-
Gain on sale of property and equipment	-	(5,000)
CHANGES IN OPERATING ASSETS AND LIABILITIES:		
Accounts receivable	585,038	(1,231,962)
Inventories	56,678	(42,468)
Prepaid expenses	10,837	(4,852)
Due from related parties	(74,730)	181,712
Income tax prepaid	(116,544)	69,470
Employee advances	(1,430)	-
Deferred tax asset	(720)	5,231
Accounts payable	(82,519)	(106,889)
Accrued expenses	37,298	24,659
Due to related party	60,547	(17,237)
Income taxes payable	(189,997)	189,997
Net cash flows provided by (used in) operating activities	357,437	(180,946)
Cash Flows from Investing Activities		
Proceeds on sale of property and equipment	-	5,000
Purchase of property and equipment	(14,019)	(99,784)
Net cash flows used in investing activities	(14,019)	(94,784)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	343,418	(275,730)
Cash and cash equivalents at beginning of year	192,685	468,415
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 536,103	$ 192,685
Supplemental Disclosures		
Cash paid for interest	$ -	$ 553
Cash paid for taxes	$ 392,539	$ 16,953

The accompanying notes are an integral part of these financial statements.
See Independent Auditors' Report.

NOTE A. SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied by Tega Industries, Inc. (a wholly owned subsidiary of Tega Industries Limited) (the "Company") in the preparation of its financial statements follows.

ORGANIZATION AND BUSINESS ACTIVITY

The Company was incorporated in the State of Delaware on November 27, 2001, for the purpose of distributing specialized wear resistant rubber products in North America, primarily to the mining and material handling industries. The majority of the Company's products are manufactured by its parent company, Tega Industries Limited, located in India.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the obligation is incurred in accordance with accounting principles generally accepted in the United States of America.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all short-term investments with a purchased maturity of three months or less to be cash equivalents.

INVENTORIES

Inventories are composed entirely of finished goods and are carried at the lower of cost or net realizable value. Cost of goods sold is determined on a first-in, first-out basis. In-bound shipping costs are included in cost of goods sold as incurred.

ACCOUNTS RECEIVABLE

Accounts receivable represents uncollateralized customer obligations due under normal trade terms generally requiring payment within 30 days from the invoice date. Statements for unpaid balances are not generated, and delinquency fees are not assessed. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice.

Trade accounts are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts by regularly evaluating individual receivables and considering a customer's financial condition, credit history, and current economic conditions. As of March 31, 2022 and 2021, allowance for doubtful accounts was $14,936 and $6,339, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of the assets to operations over their estimated service lives. The straight-line method is used for all assets over the following lives:

	Years
Office equipment and furniture	5 - 7
Warehouse equipment	5 - 7
Vehicles	5

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation is removed from the respective accounts, and any resulting gain or loss is recognized. Depreciation expense for the years ended March 31, 2022 and 2021 totaled $21,125 and $6,636, respectively.

ADVERTISING AND PROMOTION

Advertising costs are expensed as incurred. Advertising or trade show expenses during the fiscal years ended March 31, 2022 and 2021 were $5,010 and $0, respectively.

REVENUE RECOGNITION

The Company recognizes revenue upon transfer of title to the customer or when the customer has full control over the products and there are no unfulfilled obligations on the part of the Company that could affect the customer's acceptance of the products in accordance with the terms of the sales contract and no uncertainty exists regarding the amount of consideration that will be derived from the sale. Accordingly, depending on the contractual terms, revenue is recognized either when the products are shipped to, or received by, the customer. Cost of shipping is generally reimbursed by the customer and any reimbursements reduce cost of goods sold. All out-bound shipping costs are recorded as a component of cost of goods sold reduced by customer reimbursements. Customers are invoiced upon shipment and payment terms are generally net 30 days and, therefore, no element of financing is deemed present in the sales contracts and no adjustments are made to the transaction price for time value of money.

Some contracts include multiple deliverables, such as sale of product and certain related services. However, the services are simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on the expected cost plus margin. If contracts include the installation of product, revenue for the product is recognized at a point in time when the product is delivered, the legal title has passed and the customer has accepted the product.

In some contracts the Company's performance does not create an asset with alternative use to the Company and the Company has concluded that it has an enforceable right to payment for performance completed to date. In the said cases, the Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time. The Company uses the input method to recognize revenue.

For the years ended March 31, 2022 and 2021, all sales were recognized at a point-in-time. Consequently, no revenue was deferred as of March 31, 2022 and 2021, respectively.

CONCENTRATIONS

The Company places its cash and cash equivalents with various financial institutions. At times, such balances may be in excess of the Federal Deposit Insurance Corporation insurance limits of $250,000; however, management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

INCOME TAXES

The Company recognizes deferred income taxes for temporary differences between financial statements and income tax reporting. Deferred tax liabilities and assets are determined based on the differences between financial statement and tax basis of assets and liabilities using the enacted tax rates in effect for the years in which the differences are expected to reverse. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized. The principal temporary differences that will result in deferred tax assets and liabilities are property and equipment, intangible assets, and net operating loss carryforwards.

The Company follows the requirements of IND AS No. 12 and applicable appendices for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Company's tax returns. Management believes that the Company does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Company's tax returns will not be challenged by the taxing authorities and that the Company or its shareholders will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Company's tax returns remain open for federal income tax examination for three years from the date of filing and four years for the State of Arizona.

FINANCIAL INSTRUMENTS

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The total loss that would occur if the accounts became uncollectible is the stated balance of the financial instruments reported in the accompanying balance sheets.

NOTE B. INVENTORIES

Inventories consisted of the following as of March 31:

	2022	2021
Inventory-on-hand	$ 358,491	$ 361,447
Inventory-in-transit	783,986	837,708
Less reserve for obsolete inventory	(16,508)	(16,508)
Total inventories, net	$ 1,125,969	$ 1,182,647

NOTE C. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of March 31:

	2022	2021
Office equipment and furniture	$ 10,088	$ 10,088
Warehouse equipment	3,071	3,071
Vehicles	187,457	173,438
Property and equipment	200,616	186,597
Less accumulated depreciation	(114,486)	(93,361)
Property and equipment, net	$ 86,130	$ 93,236

NOTE D. RELATED PARTY TRANSACTIONS

The majority of the Company's products are manufactured by its parent company, Tega Industries Limited, located in India. Significant transactions with the shareholders and with entities under common control during 2022 and 2021 were as follows:

The Company had the following trade receivables from the parent company and other related entities as of March 31:

	2022	2021
Tega Industries Limited	$ 74,730	$ -
Total trade receivables	$ 74,730	$ -

The Company had the following trade payables to the parent company and other related entities as of March 31:

	2022	2021
Officer (Tega Industries, Inc)	$ 1,122	$ 1,531
Tega Industries Chile S.P.A.	-	1,856
Tega Industries Limited	612,174	549,362
Total trade payables	$ 613,296	$ 552,749

The Company purchased goods and services from the parent company and other related entities throughout the fiscal year which totaled the following as of March 31:

	2022	2021
Tega Holdings Pte Ltd	$ -	$ -
Tega Industries Limited	3,325,725	5,076,297
Tega Industries Chile S.PA.	1,856	4,688
Total purchased goods & services	$ 3,327,581	$ 5,080,985

The Company recorded reimbursements as a result from cost sharing from the parent company and other related entities throughout the fiscal year which totaled the following as of March 31:

	2022	2021
Tega Industries Limited	$ 369,566	$ -
Total received reimbursements	$ 369,566	$ -

NOTE E. INCOME TAXES

The income tax expense for the Company as of March 31, consisted of the following:

	2022	2021
Current tax expense:		
Federal	$ 13,306	$ 184,109
State	8,654	11,320
Foreign	-	78
Total current tax expense	21,960	195,507
Deferred tax (benefit) expense:		
Federal	(676)	3,049
State	(44)	2,182
Total deferred tax (benefit) expense	(720)	5,231
Total income tax expense, net	$ 21,240	$ 200,738

The components of the Company's net deferred taxes are as follows:

	2022	2021
Allowance for doubtful accounts	$ 3,296	$ 1,399
Reserve for inventory obsolescence	3,643	3,643
Bonus accrual	18,797	17,425
Difference in depreciation method	(9,114)	(6,565)
Total net deferred tax asset	$ 16,622	$ 15,902

The reconciliation of the provision for income taxes at the statutory rates to the Company's effective rate as of March 31, 2022 and 2021 are as follows:

	2022	2021
Taxes, at statutory rates	$ 15,016	$ 222,651
Paycheck protection program note forgiveness	-	(13,679)
Foreign sales exempt from state taxes	-	(9,293)
Penalties	-	952
Foreign taxes	-	78
Meals and entertainment	194	29
Prior period book to return reconciliation	6,857	-
Other	(827)	-
Total income tax expense	$ 21,240	$ 200,738

NOTE F. LEASE OBLIGATIONS

The Company leases office and warehouse space under an operating lease. The Company renewed the office and warehouse space lease for an additional year on March 1, 2022, which expires on February 28, 2023 and provides for a monthly rent of $1,963. Total lease expense was $22,929 and $22,872 for the fiscal years ended March 31, 2022 and 2021, respectively. Total minimum payments due for the fiscal year ending March 31, 2023 are $21,593.

NOTE G. RETIREMENT PLAN

Beginning January 1, 2015, the Company began offering a 401(k) profit sharing plan. Employees may contribute on either a pre-tax salary deferral basis or to a Roth plan in amounts up to limits established under Federal law. The Company makes safe harbor matching contributions equal to 100% of the first 3% of eligible earnings deferral and an additional 50% of the next 2% of eligible earnings deferral. Additionally, the Company may make nonelective contributions to the Plan, although it is not required to do so. Employees are always 100% vested in any elective deferrals they make and become vested in the Company's safe harbor matching contributions and nonelective contributions according to the length of time they have worked for the Company over a 6-year period.

For the fiscal year ended March 31, 2022 and 2021, total employer contributions under the plan were $15,856 and $11,383, respectively.

NOTE H. MARKET CONCENTRATIONS

The Company's sales are to customers all over the United States, as well as in North and Central America. Substantially all of these customers are extended credit with regard to these sales.

The Company had three customers which made up 36% of total revenues for the fiscal year ended March 31, 2022. At March 31, 2022, five customers comprised 84% of trade accounts receivables.

The Company had three customers which made up 42% of total revenues for the fiscal year ended March 31, 2021. At March 31, 2021, two customers comprised 51% of trade accounts receivables.

NOTE I. PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

The Company executed a note payable to Commerce Bank of Arizona in the amount of $58,348 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loan is subject to a note dated June 30, 2020 and may be forgiven to the extent that proceeds of the loan are used for eligible expenditures, such as payroll and other expenses, described in the CARES Act. The loan bears interest at a rate of 1.00% and is payable in monthly installments of principal and interest over 54 months beginning 7 months from the date of the note. In June 2020, the Paycheck Protection Program Flexibility Act extended the payment deferral period until the forgiveness determination date.

In March 2021, the entire Paycheck Protection Program note payable was forgiven, including the principal amount of $58,348 and $408 of interest. The Company recorded other income of $58,756 for the year ended June 30, 2021 as a result of the forgiveness.

NOTE J. SUBSEQUENT EVENTS

Accounting principles generally accepted in the United States of America require disclosure of the date through which subsequent events were evaluated when determining whether adjustment to or disclosure in the financial statements is required. A subsequent event is an event or transaction that occurs after the balance sheet date but before the financial statements are issued. The Company evaluated subsequent events through May 13, 2022, which represents the date the financial statements were available to be issued.

TEGA INDUSTRIES CHILE S.P.A. AND SUBSIDIARIES

Consolidated Financial Statements

March 31, 2022 and 2021

Independent Auditor's Report
Consolidated Statements of Financial Position
Consolidated Statements of Income
Consolidated Statements of Comprehensive income
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to the Consolidated financial statements

ThCh$: Thousands of Chilean Pesos
UF: Unidad de fomento

INDEPENDENT AUDITOR'S REPORT
(A free translation from the original in Spanish)

Santiago, May 17, 2022

To the Shareholders and Directors
Tega Industries Chile S.P.A.

We have audited the accompanying consolidated financial statements of Tega Industries Chile S.P.A. and subsidiaries, which comprise the consolidated statements of financial position as of March 31, 2022 and 2021 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tega Industries Chile S.P.A. and subsidiaries as of March 31, 2022 y 2021, and the results of its operations and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Bruno Forgione M. RUT: 25.177.640-7

PricewaterhouseCoopers

Tega Industries Chile S.P.A. and Subsidiaries

Consolidated statements of financial position
March 31, 2022 and 2021

Assets	**Notes**	**2022 ThChS**	**2021 ThChS**
Current assets:			
Cash and cash equivalents	6	871,394	1,105,936
Other non-financial assets	7	923,440	529,514
Trade and other receivables	8	6,065,533	3,607,104
Accounts receivable from related entities	9a	68,176	218,077
Inventory	10a	5,666,414	2,419,228
Current tax assets	11a	34,464	82,271
Total current assets		13,629,421	7,962,130
Non-current assets:			
Intangible assets other than goodwill	12	114,414	36,655
Property, plant and equipment	13	4,318,550	3,636,642
Right-of-use assets	14	2,372,574	2,329,622
Deferred tax assets	11c	1,116,585	1,560,908
Total non-current assets		7,922,123	7,563,827
Total assets		21,551,544	15,525,957

The accompanying notes No. 1 through No. 26 are an integral part of these consolidated financial statements.

Tega Industries Chile S.P.A. and Subsidiaries

Consolidated statements of financial position
March 31, 2022 and 2021

Liabilities and Equity	**Notes**	**2022 ThCh$**	**2021 ThCh$**
Current liabilities:			
Other financial liabilities	15a	4,080,096	2,420,637
Trade and other payables	16	2,888,533	2,014,001
Accounts payable to related entities	9b	3,479,433	1,670,797
Current tax liabilities	11b	5,234	17,158
Provisions for employee benefits	17	168,017	134,429
Other non-financial liabilities	18	11,668	16,549
Total current liabilities		10,632,981	6,273,571
Non-current liabilities:			
Accounts payable to related entities	9c	3,589,249	3,287,890
Other financial liabilities	15a	3,143,024	3,355,883
Deferred tax liabilities	11d	-	60,802
Total non-current liabilities		6,732,273	6,704,575
Total liabilities		17,365,254	12,978,146
Equity:			
Share capital	20a	24,062,466	24,062,466
Retained earnings		(19,563,870)	(21,190,036)
Other reserves		(312,418)	(324,899)
Equity attributable to owners of parent		4,186,178	2,547,531
Non-controlling interests	19	112	280
Total equity		4,186,290	2,547,811
Total liabilities and equity		21,551,544	15,525,957

The accompanying notes No. 1 through No. 26 are an integral part of these consolidated financial statements.

Tega Industries Chile S.P.A. and Subsidiaries

Consolidated statements of income
For the periods between April 1 and March 31, 2022 and 2021

	Note	4-01-2021 3-31-2022 ThCh$	4-01-2020 3-31-2021 ThCh$
Revenue	21a	23,090,869	18,988,818
Cost of sales	21b	(13,221,265)	(10,819,215)
Gross profit		9,869,604	8,169,603
Administrative expenses	21d	(5,643,362)	(4,553,887)
Other income	21c	168,788	21,959
Depreciation and amortization	21e	(1,299,771)	(1,001,537)
Finance income	21h	-	626
Finance costs	21g	(582,203)	(544,317)
Exchange rate differences	21f	(498,302)	1,287,078
Profit (loss) before tax		2,014,754	3,379,525
Income taxes, net	21i	(388,755)	(1,020,594)
Profit for the period		1,625,999	2,358,931

The accompanying notes No. 1 through No. 26 are an integral part of these consolidated financial statements.

Tega Industries Chile S.P.A. and Subsidiaries

Consolidated statements of comprehensive income
For the periods between April 1 and March 31, 2022 and 2021

	4-01-2021 3-31-2022 ThCh$	**4-01-2020 3-31-2021 ThCh$**
Profit for the period	1,625,998	2,358,931
Other comprehensive income		
Gains (losses) on exchange difference on translation of a Subsidiaries abroad	12,481	(46,749)
Total comprehensive income for the period	1,638,479	2,312,182
Total comprehensive income attributable to:		
Owners of parent	1,638,647	2,311,850
Non-controlling interests	(168)	332
	1,638,479	2,312,182

The accompanying notes No. 1 through No. 26 are an integral part of these consolidated financial statements.

Tega Industries Chile S.P.A. and Subsidiaries

Consolidated statements of changes in equity
For the periods between April 1 and March 31, 2022 and 2021

	Share capital ThCh$	Foreign Currency translation ThCh$	Other Reserves ThCh$	Total Reserves ThCh$	Retained earnings ThCh$	Equity attributable to owners of parent ThCh$	Non-controlling interests ThCh$	Total Equity ThCh$
Balance at April 1, 2021	24,062,466	(12,200)	(312,699)	(324,899)	(21,190,036)	2,547,531	280	2,547,811
Decrease in capital	-	-	-	-	-	-	-	-
Comprehensive income:								
Profit for the period	-	-	-	-	1,626,166	1,626,166	(168)	1,625,998
Other comprehensive income	-	12,481	-	12,481	-	12,481	-	12,481
Total changes in equity	-	12,481	-	12,481	1,626,166	1,638,647	(168)	1,638,479
Balance at March 31, 2022	24,062,466	281	(312,699)	(312,418)	(19,563,870)	4,186,178	112	4,186,290

	Share capital ThCh$	Foreign Currency translation ThCh$	Other Reserves ThCh$	Total Reserves ThCh$	Retained Earnings (Accumulated Losses) ThCh$	Equity attributable to owners of parent ThCh$	Non-controlling interests ThCh$	Total Equity ThCh$
Balance at April 1, 2020	27,663,074	-	(312,699)	(312,699)	(27,114,694)	235,681	(52)	235,629
Decrease in capital	(3,600,608)	-	-	-	3,600,608	-	-	-
Comprehensive income								
Profit for the period	-	-	-	-	2,358,599	2,358,599	332	2,358,931
Other comprehensive income	-	(12,200)	-	(12,200)	(34,549)	(46,749)	-	(46,749)
Total changes in equity	(3,600,608)	(12,200)	-	(12,200)	5,924,658	2,311,850	332	2,312,182
Balance at March 31, 2021	24,062,466	(12,200)	(312,699)	(324,899)	(21,190,036)	2,547,531	280	2,547,811

The accompanying notes No. 1 through No. 26 are an integral part of these consolidated financial statements.

Tega Industries Chile S.P.A. and Subsidiaries

Consolidated statements of cash flows
For the periods between April 1 and March 31, 2022 and 2021

	Note	2021 ThCh$	2020 ThCh$
Cash flows from operating activities			
Receipts from sales of goods and rendering of services		31,688,404	18,063,073
Payments to suppliers for goods and services		(34,386,520)	(21,239,837)
Other cash receipts from operating activities		-	-
Net cash flows used in operating activities		(2,698,116)	(3,176,764)
Cash flows from investing activities			
Short investment		-	227,181
Proceeds from sales of property, plant and equipment		28,000	-
Purchase of property, plant and equipment		(1,508,983)	(1,023,581)
Net cash flows used in investing activities		(1,480,983)	(796,400)
Cash flows from financing activities			
Factoring operations		4,489,735	2,555,132
Borrowings from related entities		-	(41,427)
Credit line payments		-	-
Repayments of borrowings from banks		(545,178)	1,542,216
Net cash flows provided by financing activities		3,944,557	4,055,921
Cash flows, net, before the effect exchange rate changes		(234,542)	82,757
Cash and cash equivalents at the beginning of period		1,105,936	1,023,179
Cash and cash equivalents at the end of period		871,394	1,105,936

The accompanying notes No. 1 through No. 26 are an integral part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements

March, 31 2022 and 2021

1 General Information

Tega Industries Chile SpA, hereinafter "the Company", was incorporated in Chile as a Private Corporation subject to Act No. 18.046 of Corporations of October 22, 1981, and subsequent amendments.

The Company was incorporated by public deed on February 5, 1990, before the Office of the Notary Public, Mr. Aliro Veloso Muñoz. Its legalization was published in the Official Gazette on February 7, 1990 and registered in the Business Register of the Real Estate Registrar of Santiago on Page 17121, No. 8739 of 1992.

For tax purposes in Chile, the taxpayer's identification number (RUT) is N° 96.574.420-7.

The business purpose of the Company is to purchase, sell, transform and trade any kind of tangible movable property, which may also be imported or exported, and usually perform any kind of foreign trade transaction, act on behalf of companies and other related property, broker the property thereof, advise on technical and trade matters and, finally, perform any business or transaction agreed by shareholders in connection with its scope. The Company's duration will be indefinite.

Ownership

Company ownership percentage as of March 31, 2022 and 2021 is as follows:

Shareholders	Nº of A-Class Shares	N° of B-Class Shares	N°of C-Class Shares
Tega Holding Pte, Ltd,	38,727	-	217,218
Total	**38,727**	**-**	**217,218**

Thus, Company controller is Tega Holding Pte. Ltd.

Company offices are located in Quilicura, Chile, at 7701 Galvarino Ave., phone No. (56-2) 24848301; Website: www.tegaindustries.com.

As of March 31, 2022 and 2020, Tega Industries Chile SpA's staff is allocated as follows:

Department	Management		Technicians		Employees		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Commercial	3	3	6	8	4	-	13	11
Administration	8	6	43	39	-	-	51	45
Production	2	2	16	12	52	43	70	57
Total	13	11	65	59	56	43	134	113

2 Summary of Significant Accounting Policies

Significant accounting policies adopted by the Company for the preparation and presentation of the accompanying Consolidated financial statements are described below.

As required by IFRS, these accounting policies have been designed based on the IFRS applicable as of March 31, 2022.

Basis of Preparation

The Company's accompanying consolidated financial statements for the twelve-month period ended March 31, 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In preparing these consolidated financial statements, Company Management has applied its best understanding of IFRS, its interpretations, and the events and circumstances that are effective at the date of their preparation, which represents the Company's first-time comprehensive, express, and unrestricted adoption of international standards.

In accordance with IFRS, certain estimates and accounting criteria are required for preparing the accompanying consolidated financial statements. It also requires that Company Management exercise its own judgment when applying the accounting policies. Areas requiring a greater level of judgment or complexity, or where estimates are significant for disclosed accounts, are disclosed in the Note on "Responsibility for the Information, Estimate, and Accounting Criteria."

The general criterion used by the Company for the accounting measurement of its assets and liabilities is the cost, except for certain financial assets recorded at fair value.

Accounting Periods

These Consolidated financial statements comprehend the following periods of twelve months:

- Consolidated statements of financial position as of March 31, 2022 and 2021.
- Consolidated statements of income for the periods between April 1, 2021 and 2020 and March 31, 2022 and 2021.
- Consolidated statements of comprehensive income for the periods between April 1, 2021 and 2020 and March 31, 2022 and 2021.
- Consolidated financial statements of changes in equity for the periods between April 1, 2021 and 2020 and March 31, 2022 and 2021.
- Consolidated financial statements of cash flows for the periods between April 1, 2021 and 2020 and March 31, 2022 and 2021.

Basis of Presentation

The consolidated financial statements are presented in thousands of Chilean Pesos, without decimal points, since this is the Group's presentation currency.

The accompanying consolidated statements of Financial Position classify assets and liabilities, based on their current (i.e. those with maturities of twelve months or less) and non-current maturities (i.e. those with maturities over twelve months in accordance with IAS 1).

At the same time, the consolidated statements of Income classify expenses by function, identifying employee expenses and depreciation based on their nature, while the consolidated statements of cash flows are presented using the direct method.

The consolidated statement of financial position as of March 31, 2022 are presented in comparison to the respective financial statements as of March 31, 2021.

The consolidated statements of income, comprehensive income, cash flows, and changes in equity show the movements for the periods between April 1, 2021 and 2020 and March 31, 2022 and 2020.

Basis of consolidation

a) Tega Industries Chile Group

As of March 31, 2022 and 2021, Tega Industries Chile SpA has direct control over the Subsidiaries Edoctum S.A..

Tega Industries Chile SpA has consolidated all the companies on which it has control over its business operation in its consolidated financial statements.

The table below shows the Edoctum S.A. Group, including main line of business, type of Company, country and functional currency.

Entities	Type	Country	Functional Currency	3-31-2022 %	3-31-2021 %
Tega Industries Chile SpA	Matriz	Chile	Pesos		-
Edoctum S.A.	Matriz / Subsidiaria	Chile	Pesos	**99,89%**	99,89%
Edoctum Perú S.A.C.	Subsidiaria indirecta	Perú	Pesos	**100%**	100%

b) Subsidiaries

A Subsidiaries is any entity over which Tega Industries Chile SpA has the power to govern the financial and operating policies, generally implying a shareholding percentage of more than one half of the voting rights.

The existence and effect of potential voting rights that can be exercised or convertible at the date of the consolidated financial statements are considered when assessing whether Tega Industries Chile SpA controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to Tega Industries Chile SpA and they are no longer consolidated from the date that control ceases.

Tega Industries Chile SpA uses the purchase method (also known as the acquisition method) to account for the acquisition of subsidiaries.

b) Subsidiaries (Continued)

Under this method, the cost of an acquisition is measured as the fair value of the assets delivered and the liabilities incurred or assumed at the date of the exchange.

Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are first measured as fair value at the date of acquisition, regardless of the extent of non-controlling interests. The excess of the acquisition cost over the fair value of the Company's interest in the identifiable net assets acquired is recognized as an asset known as Goodwill. If the cost of acquisition is lower than the fair value of net assets of the Subsidiaries acquired, the difference is directly recognized in profit or loss.

All transactions, receivable and/or payable balances and unrealized gains or losses arising from transactions made between the parent Company and its subsidiaries and between its multiple subsidiaries are eliminated as part of the consolidation process.

The accounting policies of the subsidiaries are consistent with those of Tega Industries Chile SpA,

Non-controlling interests are shown under the line item "Equity" of the Consolidated Statement of Financial Position.

Profit or loss attributable to the non-controlling interest is presented in the Consolidated Statement of Comprehensive Income by Function, where it is part of the Profit (Loss) for the year/period.

Profit or loss arising from the transactions between non-controlling shareholders and the shareholders of the companies in which ownership is shared, is recorded in Equity and is thus shown in the Consolidated Statement of Changes in Equity.

b.1) Subsidiaria in Chile

The main business activity of Edoctum S.A. is the participation and the conduction of technical events, courses, seminars, and conferences.

b.2) Subsidiaries in Peru

The main business activity of Edoctum Perú S.A.C. is the provision of business advisory services

Foreign currency transactions

a) Foreign, presentation and functional currency

Amounts included in the consolidated financial statements of the Group are measured using the currency of the main economic environment in which the entity operates (functional currency).

The presentation currency of the Group's consolidated financial statements is the Chilean Peso, which is non-hyperinflationary for the reporting years/periods.

Any operations conducted by the Group using a currency other than the functional currency are processed as foreign currency operations and recorded using the exchange rate effective at the date of transaction.

Balances for monetary assets and liabilities denominated in foreign-currency are measured using the exchange rate at every reporting year/period end.

b) Foreign Currency Exchange Rate and Changes in the unidad de fomento

The exchange rates of the main currencies and the changes in the unidad de fomento used in the accounting processes of the Company, compared to the Chilean Peso, as of March 31, 2022 and 2021, are as follows:

Currency / indexed Unit of Account	**3.31.2022 Ch$**	**03.31.2021 $**
US Dollar	787.98	721.82
Unidad de fomento	31,727.74	29,394.4
Peruvian sol	-	191.82

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances in banks in checking accounts, term deposits and other safe financial investments (readily marketable securities) with maturities of 90 days or less as from the date of investment.

Bank overdraft lines are included in interest-bearing loans in the item Other current financial liabilities.

Valuation criteria of financial assets and liabilities

According to IFRS 9, all financial assets and liabilities need to be initially fair-valued, more or less, in the case of financial assets and liabilities accounted for at fair value through profit or losses, transaction costs directly identifiable with the acquisition or issuance of the financial asset or liability.

Subsequent valuations of financial assets and liabilities will depend on the category where they have been classified. The Company has the following categories:

- Financial assets and liabilities (instruments) measured at amortized cost.
- Financial assets and liabilities (instruments) at fair value through profit or loss and other comprehensive income.

Financial instruments are written off when the right to receive or pay cash flows for these instruments is due or have been transferred and the Company has substantially transferred all risks and benefits arising from such right.

a) Financial assets and liabilities (instruments) measured at amortized cost.

Non-derivative financial instruments with fixed or determinable payments not quoted in an active market.

Trade receivables, other accounts receivable, financial liabilities, other payables of current assets and liabilities are included in this category, except those receivables and payables the maturities of which are more than 12 months as from the date of the consolidated financial statement, which are classified as non-current assets or liabilities.

Recognition occurs through the amortized cost and the accrual of agreed-upon conditions is directly recorded in profit or loss.

At the date of each consolidated financial statement, the Group assesses whether there is objective evidence that a financial instrument/asset or a group of instruments/assets might have sustained impairment losses.

In the case of trade and other receivables, they are included in the definition of financial assets, the measurement of which has been made in the amortized cost model. According to this model, a financial asset is classified as subsequently measured at amortized cost under IFRS 9 provided that the following two criteria are met:

- Assets are maintained within a business model, the purpose of which is to maintain such financial assets to gather contractual cash flows.
- Contractual conditions of financial assets give rise, at specified dates, to cash flows that are only principal payments and interest payments of the outstanding principal amount.

In applying the effective interest rate, materiality is applied (considering amounts and terms). Amounts receivable up to a year are recorded at their nominal values. When such term expires, a discount is applied in order to recognize the portion of financial revenue.

b) Financial assets and liabilities (instruments) at fair value through profit or loss and other comprehensive income.

Financial assets and liabilities at fair value through profit or loss are financial instruments held for trading.

A financial instrument is classified in this category if acquired principally for the purpose of being sold in the short term.

Derivatives are also categorized as held-for-trading unless they are designated as hedges.

Instruments in this category are classified as current assets and liabilities.

These are subsequently measured by determining their fair value and any value changes are recorded in Other profit (loss).

Trade and other receivables (net of provision for impairment)

Trade and other receivables are recognized as assets once the Group's right to claim payment is generated based on the revenue recognition criteria set out further on herein.

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment losses.

In order to calculate the amount of impairment, Management conducts qualitative and quantitative analyses to periodically assess particular scenarios and subjects likely to be considered bad debts.

Provision for expected credit losses

In determining the provision for credit losses associated to trade receivables, the Company has used its practical experience when calculating expected credit losses in order to build a matrix/table for the recovery of credit in the last three 12-month accounting periods, has taken into account the historical experience of credit losses and has adjusted itself for prospective information determining an estimated value of unrecovered credit at the date of the financial statements. Additionally, each customer's behavior is analyzed by individually evaluating each account receivable balance to identify the bad-debt risk and provide it for at 100%.

Inventories

The Company values inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Where net realizable value is lower than cost, a provision for the difference between cost and net realizable value is recognized in profit or loss.

Inventories include PU raw material, pipes, fittings and supplies.

Obsolete Inventory

The Company's obsolescence provision policy contemplates the following criteria:

a. All the finished goods kept in the inventory for more than 3 years, require a 100% provision for obsolete inventory.

b. All materials categorized as supplies kept in the inventory for more than 2 years, require a 100% provision for obsolete inventory.

c. All raw materials are classified into 5 categories:

i Ceramic: All the ceramic kept for more than 2 years in inventory will require the above provision, as follows:

Year / Detail	3-4 years	4-5 years	5-6 years	6-7 years	>7 years
Provision %	20%	40%	60%	80%	100%

ii Polyurethane: All the polyurethane kept for more than 3 years in inventory will require the provision at a rate of 100%.

iii Reinforcement: All reinforcements kept for more than 2 years in inventory will require the respective provision as follows:

Year / Detail	2-3 years	3-4 years	>4 years
Provision %	30%	60%	100%

iv Rubber: All reinforcements kept for more than 2 years in inventory will require the provision at a rate of 100%.

v Piping: All reinforcements kept for more than 3 years in inventory will require the provision, but up to a maximum of 50%, as follows:

Year / Detail	3-4 years	4-5 years	5-6 years	6-7 years	>7 years
Provision %	10%	20%	30%	40%	50%

Intangible Assets Other than Goodwill

Intangible assets mainly refer to trademark rights, acquisition expenses, software development and software license acquisition.

a) Trademark rights

Trademark rights acquired by the Company relate to the business record of the main trademarks used in both the local and foreign markets.

b) Acquisition Costs and Computer Software Development

Acquisition costs and computer software development that are relevant and specific to the Company are capitalized and amortized in the annual period in which revenue is expected to be generated from its use.

c) Software Licensing

The Company keeps software licenses active, which are amortized in their respective coverage periods.

Property, Plant and Equipment

Any fixed asset items used in the operating activities of the Company are classified in property, plant and equipment.

a) Initial Valuation

Fixed asset items included in property, plant and equipment, except land and work in progress, are recognized at their initial cost, less depreciation and accumulated impairment losses, if any.

Land and work in progress are presented at their initial costs, net of accumulated impairment losses, if any.

The initial cost of property, plant and equipment includes all distributions directly attributable to the acquisition and/or construction of fixed assets until the date they are ready to meet the objective they were first acquired and/or built for.

In financing an asset through direct and indirect credit, regarding interest, Company policy is to capitalize such costs during the construction or acquisition period.

Acquisitions agreed in a currency other than the functional currency or in an indexed unit of account are translated into that functional currency at the exchange rate or indexed unit of account effective at the date of acquisition.

b) Subsequent Valuation

The Company chooses to measure property, plant and equipment items at their cost net of depreciation and accumulated impairment losses, if applicable.

Costs arising from daily maintenance and common repairs are recognized in profit or loss.

Property, Plant and Equipment (Continued)

The replacement of parts or significant components and strategic spare parts is capitalized and depreciated over the useful life of the assets on a component-based approach.

Subsequent costs are included in asset's initial value or recognized as a separate asset only when future economic benefits associated with fixed asset items are likely to flow to the Company and the cost of the item can be measured reliably.

Repairs and maintenance of fixed assets are recognized in profit and loss as incurred.

When the value of a fixed asset exceeds its estimated recoverable amount, it is immediately reduced to its recoverable amount and recognized in profit or loss (unless it can be offset with a previous positive remeasurement against equity).

Gains and losses from the sale of property, plant and equipment are determined by comparing the proceeds from the sale with the carrying amount of the asset (net of depreciation and accumulated impairment) and are included in the Consolidated Statement of Income.

c) Depreciation and amortization

Depreciation is calculated using the straight-line method and consistently allocated over its useful life.

The useful life of assets has been determined by considering factors such as the technical or commercial obsolescence and the expected wear and tear.

Useful life and residual values of assets are as follows:

	Useful life (in years)	
Classes of Assets in Property, Plant and Equipment	From	To
Plant and equipment	3	16
Information technology equipment	3	6
Fixtures and fittings	4	10
Motor vehicles	4	10
Other property, plant and equipment	3	10

Additionally, the useful life of leased fixed assets may be amortized for the whole term of the lease contract.

The residual value and useful life of assets are reviewed and adjusted, if required, at the date of the annual Consolidated financial statements.

Leases

The adoption of the Standard IFRS 16 has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the right-of-use asset recognized at an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases. Prior periods have not been restated.

For leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognize right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are charged to the income statement in the period in which the events or conditions which trigger those payments occur.

Impairment losses of non-financial assets

Fixed assets subject to amortization (property, plant and equipment) are tested for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be recoverable.

An impairment loss is recognized if the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

In order to test for impairment, assets are grouped at the lowest level for which there are cash flows that may be identified separately.

Non-financial assets other than purchased Goodwill that may have had an impairment loss in previous periods are tested at the closing date of the consolidated financial statement in order to check for any reversals over the losses.

Impairment losses can only be reversed in the accounting only up to the amount of any losses recognized in previous periods, so that the carrying amount of these assets does not exceed the value they would have had if no adjustments had occurred. This reversal is recognized in other profit (loss).

Share capital

Ordinary shares are classified as equity.

Trade and other payables

For any significant transactions with a maturity of more than one year, trade payables (suppliers) are initially recognized at fair value and subsequently at amortized cost using the effective interest rate method.

Interest-bearing loans

Interest-bearing loans, classified in other financial liabilities, are initially recognized at fair value, which is the placement value deducted from all transaction expenses directly related to it, and then are controlled using the amortized cost method based on the effective rate.

Income tax and deferred taxes

a) Income Tax

The income tax expense is calculated on the basis of the accounting results before taxes, increased or decreased as appropriate, from any differences arising from the adjustments made to comply with applicable tax regulations.

b) Deferred Taxes

Deferred taxes are calculated using the balance-sheet method on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the annual accounts.

Deferred taxes are measured using tax rates and laws that have been enacted or substantively enacted at the balance sheet date, which are expected to be applied when the respective deferred tax assets are realized, or the deferred tax liabilities are settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available to offset temporary differences, or if there are enough taxable temporary differences to absorb them.

Employee Benefits

The Company recognizes the cost for the employees' vacation leave using the accrual method. This benefit is for the entire staff and is equivalent to a fixed amount according to each employee's individual contract. This benefit is recorded at nominal value.

The Company has no benefits for severance indemnities (covering for every particular situation or event), which is why no amount has been provided for.

Provisions

Provisions are recognized when there is a current legal or constructive obligation arising from past events, when some payment is deemed necessary to settle the obligation and when the amount of such obligation can be properly estimated.

Revenue Recognition

In accordance with the provisions of IFRS 15 "Revenue from contracts with customers", revenue is recognized for an amount that reflects the considerations received or to be received and, in exchange, the Company has the right to transfer goods or services to a customer. The Company has analyzed and taken into consideration all the relevant facts and circumstances when applying each step of the model established by IFRS 15 to contracts with their customers:

(a) Identification of the contract.
(b) Identifying performance obligations.
(c) Determining the price of the transaction.
(d) Assigning the price, and
(e) Recognizing revenue.

The Company has also evaluated the existence of incremental costs of obtaining a contract and the costs directly related to the fulfillment of a contract, which is why the Company recognize revenues when the steps established in the standard have been satisfactorily completed and it is probable that future economic benefits will flow to them and the specific conditions are met for each of the Company's activities, as described below:

a) Tega Industries Chile SpA

- Sale of products and solutions for abrasion, wear, corrosion and fluid transportation systems to the mining industry.
- Provision of administrative services to the rest of the Holding on an accrual basis.

b) Edoctum S.A. and Edoctum Perú S.A.C.

The Company's revenue is obtained from organization of courses and conferences focused on the mining industry. These courses and conferences are held at Hotels, inside and outside Santiago and Lima; and the matters addressed are related to the mining industry.

c) Other income per function is recognized when the right to receive payment is established.

Environment

Environmental liabilities, if any, are recorded based on the current interpretation of environmental laws and regulations, when a current obligation is likely to occur and the amount of such responsibility can be calculated reliably.

Investments in infrastructure work intended to meet environmental requirements are capitalized by following general accounting criteria for property, plant and equipment.

Research and Development

These expenses are presented in the administrative expenses account in the consolidated statement of comprehensive income. These expenses are recorded in the respective period as incurred.

Advertising Expenses

Advertising expenses are recognized in profit or loss as accrued.

Expense for the Insurance of Goods and Services

Payments of several insurance policies purchased by the Company are recognized in expenses, in proportion to the period of time covered, regardless of the payment term. Amounts paid but not consumed are recognized as other non-financial assets in current and non-current assets, as appropriate.

Once known, the costs of a claim (an insured event) are recognized in profit or loss. Recoverable amounts are recorded in trade and other receivables as an asset receivable from insurance companies, which are calculated in accordance with the terms specified in the insurance policy, once all the conditions that guarantee its recovery have been fulfilled.

3 Financial Risk Management

It has been determined that the financial risk will be directly managed by Company Management, which will be responsible for financing and managing the interest rate risks, liquidity, inflation, and credit risks based on specific objectives and procedures. This function operates according to a framework of policies and procedures which is reviewed on a regular basis in order to fulfill the objective of managing the risk arising from the business needs and market variables.

3.1 Liquidity Risk

The Company defines the liquidity risk as the difficulty arising from being unable to fulfill the obligations associated with its financial liabilities. Consequently, the Company has focused on ensuring ongoing and sufficient liquidity in order to fulfil its obligations, whether under crisis or normal conditions.

The liquidity risk of the Company is regularly mitigated through early determination of financing needs required for the development of its investment plans, required for the development of its investment plans, financing of working capital and the fulfillment of financial obligations. These sources of financing comprise the generation of own cash flows arising from the operation and internal and external financing sources for which Management has solvency indicators in place to provide ready and open lines of credit to address eventual financial needs under optimum credit conditions.

The Company updates its cash flow projections and permanently analyzes the financial position, the economic environment and the debt market in order to, if necessary, obtain new, or restructure existing, credit at terms that are in line with the cash flow generation of the business in which the Company is involved.

The Company has a short-term debt with financial institution, suppliers, and related entities. However, the Company's liquidity has not been affected as it is fully secured by the Parent Company, Tega Industries Limited in India.

3.2 Credit Risk

The Company defines credit risk as the potential loss from a customer's default, the source of which is trade and other receivables. However, due to the quality of Company customers (first-level mining companies), the risk is very low.

The Company serves multiple clients from the mining industry, both in the Northern and Central Area of the country, Chile.

At year end, trade and other receivables, net of impairment, which have been classified in this category and their exposure are as follows:

Type of Trade Receivable	03,31,2022		03,31,2021	
	ThCh$	% of total assets	ThCh$	% of total assets
Total assets	21,551,543	100%	15,525,957	100%
Receivables from sales	6,037,651	24%	3,533,265	24%
Customer portfolio	4,260,429	24%	3,657,737	24%
Customers using factoring services	1,885,973	2%	255,157	2%
Estimate of bad-debt impairment	(108,751)	(2%)	(379,629)	(2%)
Other accounts receivable	27,882	0,48%	73,839	0,48%
Employee checking accounts	27,882	0,11%	16,516	0,11%
Other accounts receivable	-	0,37%	57,323	0,37%
Total trade and other receivables	6,065,533	24%	3,607,104	24%

3.3 Interest-rate Risk

The Company aims to have most of its debt at a fixed interest rate and in local currency in order to prevent exposure to fluctuations in foreign currencies that may occur in the variable interest rate and which could increase finance costs uncontrollably. In this sense, the Company has very low exposure to the risk related to fluctuations of market interest rates.

The Company currently has a conservative standing regarding its policy of investment in interest-bearing financial instruments, which at this time, holds no fixed or variable income instruments. At the closing date of these Consolidated financial statements, the Company has no financial debt subject to variable income rates; therefore, there is no risk in this regard.

The Company currently has assumed and/or has financial obligations with banks, the risk classification of which is as follows:

Banks	Solvency as of March 31, 2022				
	Feller Rate	Fitch Chile	Humphreys	ICR	S&P
Banco de Chile	AAA	AAA	-	-	A
Factoring ACF Capital	-	AAA	AAA	-	-
Comercial de Valores Factoring SpA - COVAL	BBB	-	BBB	-	-

Financial liabilities held by the Company are repaid at fixed interest, thus eliminating the risk of changes in the market interest rates.

3.4 Risk of Exchange Rate Changes

Management has established the policy of maintaining a balance between operating cash flows and financial liability cash flows in order to minimize the exposure to the risk of exchange-rate variations. The Company mainly operates through debt in Chilean Pesos. However, it has significant debts to related entities, which might be affected in the event of exchange-rate fluctuations.

At the year end, the Company has significant balances in currencies other than the functional currency, which have significant exposure to the risk of exchange-rate changes as shown in the table below:

Type of debt	Currency	Country	03,31,2022		03,31,2021	
			ThCh$	% of total liability	ThCh$	% of total liability
Total pasivo			17,417,109	100%	12,978,146	100%
Tega Industries Ltd	Dólar americano	India	2,592,968	6,98%	906,003	28,17%
Tega Industries Agencia en Chile	Dólar americano	Chile	30,207	0,23%	30,099	0,19%
Edoctum Perú S,A,C,	Dólar americano	Perú	-	0,06%	8,137	0%
MM Aqua Technologies	Dólar americano	India	-	0,00%	-	0,04%
Tega Holding Pte	Dólar americano	Singapur	908,114	5,60%	726,558	27,82%

4 Responsibility for the Information and Estimates, and Accounting Criteria

The information included in the accompanying Consolidated financial statements is the responsibility of the Board of Directors of the Company, who expressly states that all principles and accounting criteria included in IFRS have been applied.

In preparing the Consolidated financial statements, the Company's Management has used estimates and judgments in order to quantify some of the assets, liabilities, revenue, expenses, and obligations recorded herein.

Estimates and judgments are evaluated on a regular basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Therefore, actual results observed at a later date may differ from these estimates.

The main estimates and judgments basically refer to:

- Useful life of property, plant and equipment, intangible assets, among others.

5 New Accounting Pronouncements

a) Standards, interpretations and amendments that are mandatory for the first time for financial periods starting on January 1, 2022.

Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations..

These IAS 16 amendments prohibit the deduction from the cost of an item of property, plant and equipment any net proceeds received from the sale of items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the Company recognizes the procedes from the sale of such items, and the cost of producing those items in the Statement of Earnings.

Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements to IFRS standards 2018–2020 cycle. The following enhancements were completed in May 2020:

- IFRS 9 Financial Instruments: clarifies what fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases: amendment to illustrative example 13 to remove the illustration of lessor payments in relation to lease improvements, to eliminate any confusion about the treatment of lease incentives.
- IFRS 1 First-time Adoption of International Financial Reporting Standards: allows entities that have measured their assets and liabilities at the book values recorded in the books of their parent to also measure accumulated translation differences using the amounts reported by the matrix. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- IAS 41 Agriculture: elimination of the requirement for entities to exclude tax cash flows when measuring fair value under IAS 41. This amendment intends to align with the standard's requirement of discounting cash flows after tax.

The Company's management believes that adoption of the standards, amendments and interpretations described above will not have a significant impact on the financial statements of the Company in the period of first-time adoption.

b) Standards, interpretations and amendments issued, whose application is not mandatory yet, for which early adoption has not been made.

Standards and interpretations	Mandatory for years starting on
IFRS 17 “Insurance Contracts”. Issued in May 2017, it replaces current IFRS 4. IFRS 17 shall change accounting mainly for all entities issuing insurance and investment contracts with discretionary participation characteristics. The standard is applied for annual periods starting on January 1, 2023. Early application is permitted provided that IFRS 9 “Financial Instruments” is applied.	01/01/2023
Amendment to IAS 1 "Presentation of financial statements" on classification of liabilities". This amendment clarifies that liabilities will be classified as current or non-current depending on the rights that exist at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date (for example, receipt of a waiver or breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability. The amendment must be applied retrospectively in accordance with IAS 8. Effective date of initial application January 1, 2022; however, such date was deferred to January 1, 2024	01/01/2023
Amendments to IAS 1 "Presentation of financial statements" and IAS 8 "Accounting Policies, Changes in Estimates. Published in February 2021. The amendments are intended to improve accounting policy disclosures and help users of financial statements distinguish between changes in accounting estimates and changes in accounting policies	01/01/2023
Modification of IAS 12 - Deferred taxes related to assets and liabilities that arise from a single transaction.These modifications require that companies recognize deferred taxes on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.	01/01/2023
Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures.” Issued in September 2014. The amendment addresses an inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. Early adoption is permitted.	Not specified

The Company’s management believes that adoption of the standards, amendments and interpretations described above will not have a significant impact on the financial statements of the Company in the period of first-time adoption.

6 Cash and cash equivalents

Cash and cash equivalents are the cash balances and bank checking accounts the Company keeps in Banks, and term deposits with a maturity less than 90 days.

Cash and cash equivalents as of March 31, 2021 and 2020 are as follows:

Cash and Cash Equivalents	**3-31-2022 ThCh$**	**3-31-2021 ThCh$**
Cash and cash in bank	603,651	878,129
Term deposits	232,034	227,807
Bank warranty bill	35,709	-
Total	871,394	1,105,936

a) Cash and cash in bank

These are the cash balances and bank checking accounts.

b) Term deposits

These are term deposits as of March 31, 2021 with a maturity less than 90 days.

c) Bank warranty bill

These are warranty bill

7 Other Non-Financial Assets

S Other non-financial assets are as follows:

Other non-financial assets	**3-31-2022 ThCh$**	**3-31-2021 ThCh$**
Advances to suppliers	823,087	823,087
Security deposit	43,015	43,015
Other prepaid expenses	57,338	57,338
Total	923,440	923,440

8 Trade and Other Receivables

a) Trade and other receivables are as follows:

	3-31-2022 ThCh$	3-31-2022 %	3-31-2021 ThCh$	3-31-2021 %
Receivables from sales	6,037,651	99,54%	3,533,265	97,95%
Customer portfolio	4,260,429	70,24%	3,657,737	101,40%
Customers using factoring services	1,885,973	31,09%	255,157	7,05%
Estimate of bad-debt impairment	(108,751)	(1,79%)	(379,629)	(10,52%)
Other accounts receivable	27,882	0,46%	73,839	2,05%
Employee checking accounts	27,882	0,46%	16,516	0,46%
Other accounts receivable	-	-	57,323	1,59%
Total trade and other receivables, net	6,065,533	100%	3,607,104	100%

b) Aging of trade and other receivables, current is as follows:

Aging of balances	**3-31-2022 ThCh$**	**3-31-2021 ThCh$**
Less than 30 days due	870,372	853,849
From 31 to 60 days due	-	180,586
From 61 to 90 days due	1,908	600
From 91 to 180 days due	26,712	30,380
Over 180 days due	53,129	76,453
Receivables still to mature	5,222,164	2,844,865
Total, excluding impairment estimate	6,174,284	3,986,733
Less bad-debt impairment estimate	(108,751)	(379,629)
Total	6,065,533	3,607,104

c) Currency detail of net trade and other receivables, current, is as follows:

Balances per currency	**3-31-2022 ThCh$**	**3-31-2021 ThCh$**
Chilean Pesos	5,896,628	2,694,018
US Dollars	168,905	913,086
Total	6,065,533	3,607,104

d) The movement of bad-debt impairment estimates for the reporting periods is as follows:

Movement of bad-debt impairment estimates	**Period 2022-2021 ThCh$**	**Period 2021-2020 ThCh$**
Opening balance	(379,629)	(171,842)
Uses of estimates	270,878)	(207,787)
Closing balance	(108,751)	(379,629)

9 Related-party Transactions

a) Receivables from related entities, current

RUT of Related Party	Name of Related Party	Nature of Relationship	Country	Balances 3-31-2022 ThCh$	Balances 3-31-2021 ThCh$	Type Currency or IUA	Term of Transaction
-	Tega Holding Pte, Lts, Sucursal de Perú	Common parent	Perú	51,856	91,981	Pesos	-12 months
-	Tega Industries Limited	Common parent	India	55,549	105,041	Pesos	-12 months
-	Tega Industries Inc	Shareholder	EUA	-	1,340	Pesos	-12 months
76,008,208-2	Edoctum S,A,	Subsidiaries	Chile	-	8,149	Pesos	-12 months
-	Tega Do Brasil Servicio Ltda	Common parent	Brasil	12,627	11,567	Pesos	-12 months
Total Receivables from related entities, current				120,032	218,077		

b) Payables to Related Entities, Current

RUT of Related Party	Name of Related Party	Nature of Relationship	Country	Balances 3-31-2022 ThCh$	Balances 3-31-2021 ThCh$	Type Currency or IUA	Term of Transaction
	Tega Industries Ltd,	Common parent	India	2,592,968	906,003	US Dollar	Undefined
59,163,230-2	Tega Industries Agencia en Chile	Common parent	Chile	30,208	30,099	US Dollar	-12 months
-	Edoctum Perú S,A,C,	Subsidiaries	Perú	-	8,137	Pesos	-12 months
-	Mm Aqua Technologies	Common parent	India	-	-	US Dollar	-12 months
-	Tega Holding Pte, (intereses)	Shareholder	Singapur	908,113	726,558	US Dollar	-12 months
Total Payables to related entities, current				3,531,289	1,670,797		

c) Payables to Related Entities, Non-Current

RUT of Related Party	Name of Related Party	Nature of Relationship	Country	Balances 3-31-2022 ThCh$	Balances 3-31-2021 ThCh$	Type Currency or IUA	Term of Transaction
-	Tega Holding Pte, (Capital)	Shareholder	Singapur	3,589,249	3,287,890	US Dollar	-18 months
Total Payables to related emtities, non current				3,589,249	3,287,890		

9 Related-party Transactions (Continued)

d) The Board of Directors of the parent Company and its subsidiaries is represented by the following persons:

Name and last name	Role	Duration	Remuneration
Mehul Mohanka	Director	Indefinite	Unpaid Position
Madan Mohanka	Director	Indefinite	Unpaid Position
Syed Yaver Iman	Director	Indefinite	Unpaid Position
Heman Madusudan Nerurkar	Director	Indefinite	Unpaid Position

d.1) Key personnel within the organization of the Parent Company is:

Name and last name	Role	Relationship to the Organization
Juan Bustamante	General Manager	Legal Representative
Manish Manwani	Chief Financial Officer	Legal Representative

10 Inventories

Inventories as of March 31, 2022 and 2021 is as follows:

Inventories	3-31-2022 ThCh$	3-31-2021 ThCh$
Finished goods	324,993	89,584
Unfinished goods	614,785	1,340,964
Materials and raw materials	4,916,379	1,111,099
Impairment estimate for obsolete inventory	(189,743)	(122,419)
Total	5,666,414	2,419,228

The movement of impairment estimates for obsolete inventory for the reporting years is as follows:

Movement of impairment estimate for obsolete inventory	Períod 2022/2021 ThCh$	Períod 2021/2020 ThCh$
Opening balance	(122,419)	(313,376)
Estimate for the period	(67,324)	(122,419)
Uses of estimates (*)	-	313,376
Closing balance	(189,743)	(122,419)

(*) The Company realized the use of estimate for obsolete inventory in ThCh$ 313,376 under sales of obsolete material as scrap for the year ended as of March 31, 2021. There is not estimate for the year ended as of March 31, 2022.

The cost of inventories recognized as cost of sales for the period ended March 31, 2022 is ThCh$ 13.221.265 (ThCh$ 10.819.215 in the period ended March 31, 2020).

During the reporting periods, no inventories have been pledged as security.

The carrying amount of inventories does not exceed current realization prices less selling expenses (net realizable value).

11 Current and deferred tax assets and liabilities, non-current

a) Current tax assets

Current tax assets are as follows:

	3-31-2022 ThCh$	3-31-2021 ThCh$
Monthly advance payments (PPM)	-	23,623
Other tax recoverable	34,464	58,648
Total	34,464	82,271

11 Current and deferred tax assets and liabilities, non-current (continued)

b) Current tax liabilities

Current tax liabilities are as follows:

	3-31-2022 ThCh$	3-31-2021 ThCh$
Income tax payable	5,234	17,158
Total	5,234	17,158

a) Activos por impuestos diferidos no corriente

c) Non-current deferred tax assets

Deferred taxes are the amounts of income taxes payable (liabilities) or receivable (assets) by the Company in future periods, which are related to temporary differences between the tax base and the carrying amount of certain assets and liabilities.

Deferred tax assets are as follows:

	3-31-2022 ThCh$	3-31-2021 ThCh$
Non-Current		
Vacation provision	45,365	36,296
Bad-debt provision	29,363	102,500
Provision for obsolete inventory	51,231	33,055
Other provisions	219,524	188,516
Net variation between inventories	58,108	9,948
Recoverable tax loss	554,497	1,190,593
Variation between tax and financial fixed assets (net)	87,595	-
Impact of operating leases IFRS 16	70,902	-
Total deferred tax assets	1,116,585	1,560,908

d) Deferred tax liabilities, non-current

Deferred tax liabilities are as follows:

	3-31-2022 ThCh$	3-31-2021 ThCh$
Non Currents		
Variation between tax and financial fixed assets (net)	-	1,502
Impact of operating leases IFRS 16	-	59,300
Total deferred tax liabilities	-	60,802

12 Intangible Assets Other Than Goodwill

a) Intangible asset amounts for the reporting periods are as follows:

Current Intangible Assets	Software ThCh$	Trademark Rights ThCh$	Total ThCh$
Opening balance as of April 1, 2021			
Gross amount	106,708	35,518	142,226
Accumulated amortization	(70,054)	(35,518)	(105,572)
Sub total			
Variations			
Increases	127,576	-	127,576
Decreases	-	-	-
Amortization for the period	(49,816)	-	(49,816)
Closing balance as of March 31, 2022	114,414	-	114,414
Previous intangible assets			
Opening balance as of April 1, 2020			
Gross amount	39,367	35,518	59,904
Accumulated amortization	(26,550)	(35,518)	(53,443)
Subtotal			6,461
Variations			
Increases	67,342	-	67,342
Decreases	-	-	-
Amortization for the period	(43,504)	-	(43,504)
Closing balance as of March 31 2021	36,655	-	36,655

b) Annual effect on results from amortization of intangible assets:

	3-31-2022 ThCh$	**3-31-2021 ThCh$**
Depreciation and amortization expenses	49,816	43,506
Total	49,816	43,506

13 Property, plant and equipment

Property, plant and equipment is accounted for under the accounting policies provided in Note 2.

a) Balances as of March 31, 2022 and 2021

	3-31-2022			3-31-2021		
Classes of property, plant and equipment	**Gross Amount ThCh$**	**Accumulated Depreciation ThCh$**	**Net Amount ThCh$**	**Gross Amount ThCh$**	**Accumulated Depreciation ThCh$**	**Net Amount ThCh$**
Plant and equipment	8,606,114	(5,561,987)	3,044,127	7,921,059	(4,852,187)	3,068,872
Information technology equipment	305,104	(217,029)	88,075	209,154	(188,307)	20,847
Fixtures and fittings	1,185,550	(525,730)	659,820	793,835	(461,388)	332,447
Motor vehicles	137,120	(130,672)	6,448	201,475	(184,605)	16,870
Installations in process	520,079	-	520,079	196,975	-	196,975
Other property, plant and equipment	108,715	(108,715)	-	108,715	(108,084)	631
Total	10,862,682	(6,544,133)	4,318,550	9,431,213	(5,794,571)	3,636,642

b) Movement in 2022 and 2021

Movement in 2022-2021	**Plant and equipment ThCh$**	**Information technology equipment ThCh$**	**Fixtures and fittings ThCh$**	**Motor vehicles ThCh$**	**Installations in process ThCh$**	**Other property, plant and equipment ThCh$**	**Total ThCh$**
Opening balance as 04,01,2021	3,068,872	20,847	332,447	16,870	196,975	-	3,636,642
Additions (disposals)	685,055	95,949	404,874	-	323,104	631	1,508,982
Depreciation expense	(709,799)	(28,721)	(77,501)	(10,422)	-	-	(827,074)
Closing balance at 03,31,2022	3,044,128	88,075	659,820	6,448	520,079	631	4,318,550

Movement in 2021-2020	**Plant and equipment ThCh$**	**Information technology equipment ThCh$**	**Fixtures and fittings ThCh$**	**Motor vehicles ThCh$**	**Installations in process ThCh$**	**Other property, plant and equipment ThCh$**	**Total ThCh$**
Opening balance at 04,01,2020	2,908,981	8,929	360,730	27,292	-	8,384	3,314,316
Additions (disposals)	685,228	22,007	52,029	-	196,975	-	956,239
Depreciation expense	(525,337)	(10,089))	(80,312)	(10,422)	-	(7,753)	(633,913)
Closing balance at 03,31,2021	3,068,872	20,847	332,447	16,870	196,975	631	3,636,642

13 Property, Plant and Equipment (Continued)

c) Impairment

During the reporting periods, there has been no impairment of PPE elements.

d) Property, Plant and Equipment as Security

The Company reports no security in terms of property plant and equipment.

14 Right-of-Use Assets

Right-of-use assets are accounted for in accordance with the accounting policies reported in note 2.

a) Balances as of March 31, 2022 and 2021

	3-31-2022			3-31-2021		
Classes of property, plant and equipment	**Gross Amount** ThCh$	**Accumulated Depreciation** ThCh$	**Net Amount** ThCh$	**Gross Amount** ThCh$	**Accumulated Depreciation** ThCh$	**Net Amount** ThCh$
Plant and equipment	2,757,031	(390,207)	2,366,824	2,747,820	(454,904)	2,292,916
Motor vehicles	38,423	(32,673)	5,750	95,805	(59,099)	36,706
Total	2,795,454	(422,880)	2,372,574	2,843,625	(514,003)	2,329,622

b) Movement in 2022 and 2021

Movement in 2022-2021	**Plant and equipment ThCh$**	**Motor vehicles ThCh$**	**Total ThCh$**
Opening balance	2,292,916	36,706	2,329,622
Additions	261,142	1,717	261,142
Additions (Variance UF)	202,973	-	204,690
Depreciation expense	(390,207)	(32,673)	(422,880)
Closing balance	2,366,824	5,750	2,372,574

Movement in 2021-2020	**Plant and equipment ThCh$**	**Motor vehicles ThCh$**	**Total ThCh$**
Opening balance	2,514,054	68,154	2,582,208
Additions	70,071	1,461	71,532
Depreciation expense	(291,209)	(32,909)	(324,118)
Closing balance	2,292,916	36,706	2,329,622

15 Other financial liabilities

a) The main current and non-current financial liabilities are as follows:

	Current		Non-current	
Other financial liabilities	**3-31-2022 ThCh$**	**3-31-2021 ThCh$**	**3-31-2022 ThCh$**	**3-31-2021 ThCh$**
Interest-bearing loans	3,775,338	2,212,210	812,605	-
Lease liabilities	304,758	208,427	2,330,419	3,355,883
Total	4,080,096	2,420,637	3,143,024	3,355,883

15 Other financial liabilities (Continued)

a) Detalle de otros pasivos financieros corriente y no corrientes

Al 31 de marzo de 2022

Entidades financieras	Nombre deudor	Nombre acreedor	Importe de clase de pasivo expuesto al riesgo de liquidez (M$)								Tipo de amortización	Tasa nominal promedio
			Hasta 30 días	Entre 31 y 90 días	Más 90 días hasta 1 año	Total corriente	Más 1 año hasta 3 años	Entre 3 y 5 años	Más de 5 años	Total no corriente		
Préstamos que devengas intereses												
Préstamo Banco Chile	Tega Industries Chile SpA	Banco de Chile	-	-	1,497,162	1,497,162	-	-	-	-	Mensual	0,24%
Préstamo Banco Chile Fogape	Tega Industries Chile SpA,	Banco de Chile	-	-	311,913	311,913	-	-	-	-	Mensual	0,32%
Forward Banco de Chile	Tega Industries Chile SpA,	Banco de Chile	-	75,899	-	75,899	-	-	-	-	Trimestral	-
Forward Banco BCI	Tega Industries Chile SpA,	Banco BCI	-	-	14,138	14,138	-	-	-	-	Semestral	-
Préstamo Axis Bank	Tega Industries Chile SpA,	Axis Bank	-	-	-	-	-	812,605	-	812,605	Mensual	0,40%
Factoring BCI	Tega Industries Chile SpA,	Banco BCI	1,368,223	-	-	1,368,223	-	-	-	-	Mensual	0,72%
Factoring ACF Capital	Tega Industries Chile SpA	ACF Capital	508,003	-	-	508,003	-	-	-	-	Mensual	1,20%
Total obligaciones financieras			**1,876,226**	**75,899**	**1,823,213**	**3,775,338**	**-**	**812,605**	**-**	**812,605**		
Pasivos por arrendamientos												
Arrendamiento de vehículo	Tega Industries Chile SpA	Econorent	-	-	6,449	6,449	-	-	-	-	Mensual	0,38%
Arrendamiento planta y equipos		Inversión Slam Ltda,	-	-	143,007	143,007	295,040	-	-	295,040	Mensual	0,42%
Arrendamiento planta y equipos		Inmobiliaria MIP Ltda,	-	-	46,733	46,733	-	-	2,035,379	2,035,379	Mensual	0,71%
Arrendamiento planta y equipos		Inmobiliaria Ruta 26	-	-	8,479	8,479	-	-	-	-	Mensual	0,36%
Arrendamiento planta y equipos		Inmobiliaria Ferrocarril	-	-	100,090	100,090	-	-	-	-	Mensual	0,36%
Total pasivos por arrendamientos			-	-	**304,758**	**304,758**	**295,040**	-	**2,035,379**	**2,330,419**		
			-									
Totales			**1,876,226**	**75,899**	**2,127,971**	**4,080,096**	**295,040**	**812,605**	**2,035,379**	**3,143,024**		

15 Other Financial Liabilities (Continued)

b) Detail of other financial liabilities, current and non-current.

Al 31 de marzo de 2021

Entidades financieras	Nombre deudor	Nombre acreedor	Importe de clase de pasivo expuesto al riesgo de liquidez (M$) Hasta 30 días	Entre 31 y 90 días	Más 90 días hasta 1 año	Total corriente	Más 1 año hasta 3 años	Entre 3 y 5 años	Más de 5 años	Total no corriente	Tipo de amortización	Tasa nominal promedio
Préstamos que devengas intereses												
Préstamo Banco Chile	Tega Industries Chile SpA	Banco de Chile	-	-	1,371,458	1,371,458	-	-	-	-	Mensual	0,37%
Forward Banco Chile	Tega Industries Chile SpA	Banco de Chile	-	-	34,176	34,176	-	-	-	-	Semestral	
Préstamo Banco Chile Fogape	Tega Industries Chile SpA,	Banco de Chile	-	-	551,744	551,744	-	-	-	-	Mensual	0,32%
Préstamo Axis Bank	Tega Industries Chile SpA,	Axis Bank	-	-	-	-	-	1,015,059	-	1,015,059	Trimestral	1,20%
Factoring Chile	Tega Industries Chile SpA	Factoring BChile	254,832	-	-	254,832	-	-	-	-	Mensual	0,19%
Total obligaciones financieras			254,832	-	1,957,378	2,212,210	-	1,015,059	-	1,015,059		
Pasivos por arrendamientos												
Arrendamiento de vehículo	Tega Industries Chile SpA	Econorent	-	-	34,806	34,806	5,974	-	-	5,974	Mensual	0,38%
Arrendamiento planta y equipos		Inversión Slam Ltda,	-	-	125,993	125,993	-	405,837	-	405,837	Mensual	0,42%
Arrendamiento planta y equipos		Inmobiliaria MIP Ltda,	-	-	39,773	39,773	-	-	1,929,013	1,929,013	Mensual	0,71%
Arrendamiento planta y equipos		Inmobiliaria Ruta 26	-	-	7,855	7,855	-	-	-	-	Mensual	0,36%
Total pasivos por arrendamientos			-	-	208,427	208,427	5,974	405,837	1,929,013	2,340,824		
			-									
Totales			254,832	-	2,165,805	2,420,637	5,974	1,420,896	1,929,013	3,355,883		

16 Trade and Other Payables

Trade and other payables are as follows:

Type of payable	As of March 31, 2022 Up to 30 days ThCh$	Between 31 and 90 days ThCh$	Over 90 days up to 1 year ThCh$	Total Current ThCh$	As of March 31, 2021 Up to 30 days ThCh$	Between 31 and 90 days ThCh$	Over 90 days up to 1 year ThCh$	Total Current ThCh$
Domestic suppliers	1,338,539	1,061	-	1,339,600	1,233,470	-	-	1,233,470
Foreign suppliers	753,065	-	-	753,065	338,828	-	-	338,828
Employee withholdings	70,224	-	-	70,224	63,692	-	-	63,692
Sundry provisions	499,004	-	-	499,004	195,592	-	-	195,592
Other payables	226,640	-	-	226,640	182,419	-	-	182,419
Total	2,887,472	1,061	-	2,888,533	2,014,001	-	-	2,014,001

17 Provisions for employee benefits

a) Provisions for employee benefits are as follows:

Provisions for employee benefits, current	Employee vacations ThCh$	Total ThCh$
Opening balance as of April 1, 2021	134,429	134,429
Increases	33,588	33,588
Closing balance as of March 31, 2022	168,017	168,017
Opening balance as of April 1, 2020	85,349	85,349
Increases	49,080	49,080
Closing balance as of March 31, 2021	134,429	134,429

b) Indirect Guarantees

The Company reports no indirect guarantees as of March 31, 2022 and 2021.

c) Restrictions

There are no restrictions as of March 31, 2022 and 2021.

d) Litigation, arrangements and/or legal proceedings, pledges, other.

There are no litigations, arrangements and/or legal proceedings, pledges, other as of March 31, 2022 and 2021.

18 Other non-financial liabilities

Other non-financial liabilities, current, are as follows

	3-31-2022 ThCh$	3-31-2021 ThCh$
Customer advances	11,668	16,549
Total	11,668	16,549

19 Non-controlling interests

The portion of Subsidiaries's equity that belongs to third parties at every period-end is as follows:

a) As of March 31, 2022

Legal Name	Percentage of Non-controlling Interest %	Net Equity of Subsidiaries ThCh$	Results of Subsidiaries ThCh$	Non-controlling Interests ThCh$	Profit (loss) Attributable to Non-controlling Interests ThCh$
Edoctum S,A,	0,11	(237,438)	(142,123)	112	(168)
Total		(237,438)	(142,123)	112	(168)

b) As of March 31, 2021

Legal Name	Percentage of Non-controlling Interest %	Net Equity of Subsidiaries ThCh$	Results of Subsidiaries ThCh$	Non-controlling Interests ThCh$	Profit (loss) Attributable to Non-controlling Interests ThCh$
Edoctum S,A,	0,11	(243,686)	(179,808)	280	332
Total		(243,686)	(179,808)	280	332

20 Equity

a) Share Capital

At the closing date of the Consolidated financial statements, the Company has the following capital:

Series	Shares	Issued capital
C	217,218	18,907,645
A	38,727	5,154,821
	255,945	**24,062,466**

At March 31, 2022 and 2021, Tega Holding Pte. Ltd owns of 100% of the shares of Tega Industries Chile SpA.

20 Equity (Continued)

b) Increase and decrease of capital from 2018 until 2021.

Fecha	Empresa emisora	Monto ThCh$	Condición
8/07/2018	Tega Industries Chile SpA	1,306,905	It was paid by means of credit capitalization between Tega Holding PTE Ltd. (Singapore) and Tega Industries Chile SpA.
12/31/2018	Tega Industries Chile SpA	537,848	It was paid by means of credit capitalization between Tega Holding PTE Ltd. (Singapore) and Tega Industries Chile SpA.
3/28/2019	Tega Industries Chile SpA	18,907,644	It was paid by means of credit capitalization between Tega Holding PTE Ltd. (Singapore) and Tega Industries Chile SpA.
Total, aumentos de capital y/o pagados		20,752,397	

Date	Issuing company	Amount in ThCh$	Condition
3/31/2020	Tega Industries Chile SpA	156,285	Tega Industries Chile SpA's own treasury shares were decreased.
Total capital decrease		156,285	

Date	Issuing company	Amount in ThCh$	Condition
12/31/2020	Tega Industries Chile SpA	3,600,608	Tega Industries Chile SpA's own treasury shares were decreased.
Total capital decrease		3,600,608	

c) Dividends provided for and/or paid

No dividends were paid in 2022 and 2021.

d) Financial Position of Tega Industries Chile SpA.

d.1) As of March 31, 2022.

As of March 31, 2022, the Company has positive working capital of ThCh$ 2.996.440, and profit for the period of ThCh$ 1.625.998

d.2) As of March 31, 2021.

As of March 31, 2021, the Company has poaitive working capital of ThCh$ 1.668.559, and profit for the period of ThCh$ 2.358.931.

21 Profit or loss accounts

Profit or loss accounts for March 31, 2022 and 2021 are as follows:

a) Revenue	**4-01-2021 3-31-2022 ThCh$**	**4-01-2020 3-31-2021 ThCh$**
Operating income	23,090,869	18,988,818
Total	23,090,869	18,988,818

b) Cost of sales	**4-01-2021 3-31-2022 ThCh$**	**4-01-2020 3-31-2021 ThCh$**
Cost of sales	(13,221,265)	(10,819,215)
Total	(13,221,265)	(10,819,215)

c) Other income	**4-01-2021 3-31-2022 ThCh$**	**4-01-2020 3-31-2021 ThCh$**
Other Income	168,788	21,959
Total	168,788	21,959

d) Administrative Expenses	**4-01-2021 3-31-2022 ThCh$**	**4-01-2020 3-31-2021 ThCh$**
Communications	(28,439)	(15,226)
Travel expense	(103,366)	(72,527)
Salaries and wages	(3,458,929)	(2,718,112)
Third-party services	(947,591)	(869,509)
Other	(958,563)	(878,514)
Total	(5,643,362)	(4,553,887)

e) Depreciation and Amortization	**4-01-2021 3-31-2022 ThCh$**	**4-01-2020 3-31-2021 ThCh$**
Depreciation in the period	(1,249,956)	(958,033)
Amortization in the period	(49,815)	(43,504)
Total	(1,299,771)	(1,001,537)

f) Exchange Rate Differences	**4-01-2021 3-31-2022 ThCh$**	**4-01-2020 3-31-2021 ThCh$**
Exchange Rate Differences	(498,302)	1,287,078
Total	(498,302)	1,287,078

21 Profit or Loss Accounts (Continued)

g) Finance Costs	4-01-2021 3-31-2022 ThCh$	4-01-2020 3-31-2021 ThCh$
Financing costs	(582,203)	(544,317)
Total	(582,203)	(544,317)

h) Finance Income	4-01-2021 3-31-2022 ThCh$	4-01-2020 3-31-2021 ThCh$
Finance Income	-	626
Total	-	626

i) Income taxes, net	4-01-2021 3-31-2022 ThCh	4-01-2020 3-31-2021 ThCh
Income tax expense	(5,234)	(18,874)
Net deferred taxes	(383,521)	(1,001,720)
Total	(388,755)	(1,020,594)

22 Segments Information

Business segments are given by the subsidiaries.

23 Commitments

The Company has no commitments to disclose.

24 Environment

There are no environmental issues to disclose at the 2022 and 2021 period-end.

25 Subsequent events

In the period between March 31, 2022 and the date of presentation of the accompanying Consolidated financial statements, no subsequent events have occurred that could significantly affect thereto.

26 Approval of the accompanying Consolidated financial statements

The accompanying Consolidated financial statements of Tega Industries Chile SpA have been approved by the Board of Directors of the Company on March 17, 2022 and its General Manager has been authorized to deliver said Consolidated financial statements to interested third parties.

Losugen Pty Ltd

ABN: 26 097 626 849

Annual Financial Report

31 March 2022

Losugen Pty Ltd

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Losugen Pty Ltd

Directors' report
For the year ended 31 March 2022

The directors present their report together with the financial statements of Losugen Pty Ltd ("the Company") for the financial year ended 31 March 2022 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name	Date appointed/resigned as a director
Madan Mohan Mohanka	Appointed 25 January 2011
Mehul Mohanka	Appointed 25 January 2011
Satyamurti Joe Viranna	Appointed 1 March 2019

2. Company particulars

Losugen Pty Ltd is a company limited by shares and is incorporated in Australia. The ultimate parent company is Tega Industries Ltd, a company incorporated in India.

Principal place of business	Registered office
Unit 2, 26 Biscayne Way Jandakot, WA 6164	Level 8, 235 St Georges Terrace Perth, WA 6000

3. Principal activities

The Company is an engineering and manufacturing company that specialises in the manufacture of wear components, especially rubber. The Company designs and manufactures products for a wide range of duties and industries, from grinding mill linings, trommels, screens, and custom design chute linings. Services that have been provided over the course of the year include rubber lining, polyurethane, site installation, fabrication and water cutting.

There were no significant changes in the nature of the activities of the Company during the year.

4. Operating and financial review

The operating profit after income tax of the Company for the year ended 31 March 2022 was $201,990 (2021: $224,298).

5. Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

6. Dividends

No dividends were paid by the Company to members since the end of the previous financial year (2021: $0).

7. Events subsequent to reporting date

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

8. COVID-19

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by governments, regulators and numerous industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which has seen the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdown and uncertainties.

Due to the customer base of the Company being the Australian Mining & Minerals Processing industry which has not been significantly affected at this time by COVID-19, the demand for the Company's products currently remains materially unchanged. The Company continues to monitor developments in the COVID-19 pandemic and the measures being implemented on the economy to control and slow the outbreak. Given the dynamic nature of these circumstances and the significant increase in economic uncertainty, the related impact on the Company's go forward results of operations, cash flows and financial condition cannot be reasonably estimated at this stage and will be reflected in the Company's 2023 annual financial statements.

9. Likely developments

Information about likely developments in the operations of the Company and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

10. Environmental regulation

The Company's operations are subject to the laws of Australia, which impose environmental compliance and reporting obligations. The directors are not aware of any significant breaches during the financial year.

11. Indemnification and insurance of officers

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums

During the financial year the Company paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 March 2022 and since the financial year, the Company has not paid premiums in respect of such insurance contracts for the year ending 31 March 2023.

This report is made with a resolution of the directors:

Joe Viranna
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Satyamurti Joe Viranna
Director

Dated: 24/05/2022

Losugen Pty Ltd

Statement of financial position
As at 31 March 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	10	**1,125,544**	1,272,665
Trade and other receivables	12	**1,690,569**	669,724
Inventories	13	**1,578,991**	1,413,163
Total current assets		**4,395,104**	3,355,552
Non-current assets			
Property, plant and equipment	14	**466,274**	243,233
Deferred tax asset	15	**257,144**	188,602
Total non-current assets		**723,418**	431,835
Total assets		**5,118,522**	3,787,387
Liabilities			
Current liabilities			
Trade and other payables	16	**2,009,260**	1,246,310
Lease liabilities	23	**172,690**	24,946
Employee benefits	17	**140,557**	93,572
Total current liabilities		**2,322,507**	1,364,828
Non-current liabilities			
Lease liabilities	23	**147,293**	-
Employee benefits	17	**98,568**	74,395
Total non-current liabilities		**245,861**	74,395
Total liabilities		**2,568,368**	1,439,223
Net assets		**2,550,154**	2,348,164
Equity			
Share capital	18	**2**	2
Retained earnings		**2,550,152**	2,348,162
Total equity		**2,550,154**	2,348,164

Losugen Pty Ltd

Statement of profit or loss and other comprehensive income
For the period 1 April 2021 to 31 March 2022

	Note	2022 $	2021 $
Revenue	4	**7,556,427**	5,214,925
Cost of sales		**(4,448,002)**	(2,629,194)
Gross profit		**3,108,425**	2,585,731
Other income	5	**344,570**	583,384
Personnel expenses	7	**(2,012,163)**	(1,806,470)
Depreciation	14	**(192,658)**	(274,478)
Other expenses		**(956,199)**	(798,052)
Results from operating activities		**291,975**	290,115
Finance income	6	**748**	1,676
Finance costs	6	**(2,958)**	(13,162)
Net finance cost		**(2,210)**	(11,486)
Profit for the year before income tax		**289,765**	278,629
Income tax expense	8	**(87,775)**	(54,331)
Profit for the year		**201,990**	224,298
Total comprehensive income for the year		**201,990**	224,298

Losugen Pty Ltd

Statement of changes in equity
For the year ended 31 March 2022

	Share capital $	Retained earnings $	Total $
Balance as at 1 April 2021	**2**	**2,348,162**	**2,348,164**
Total comprehensive income for the year			
Profit for the year	**-**	**201,990**	**201,990**
Total comprehensive income for the year	**-**	**201,990**	**201,990**
Balance as at 31 March 2022	**2**	**2,550,152**	**2,550,154**
Balance as at 1 April 2020	2	2,123,864	2,123,866
Total comprehensive income for the year			
Profit for the year	-	224,298	224,298
Total comprehensive income for the year	-	224,298	224,298
Balance as at 31 March 2021	2	2,348,162	2,348,164

Losugen Pty Ltd

Statement of cash flows
For the year ended 31 March 2022

	Note	2022	2021
Cash flows from operating activities		**$**	**$**
Cash receipts from customers		**7,271,833**	6,315,802
Cash paid to suppliers and employees		**(7,239,002)**	(5,571,905)
Cash generated from operations		**32,831**	743,897
Net cash from operating activities	11	**32,831**	743,897
Cash flows from investing activities			
Interest received		**748**	1,676
Proceeds from disposal		**5,000**	-
Acquisition of property, plant and equipment	14	**(9,412)**	(11,330)
Net cash used in investing activities		**(3,664)**	(9,654)
Cash flows from financing activities			
Repayment of borrowings		**(60,000)**	(180,105)
Interest paid on intercompany loans		**-**	(8,219)
Payment of lease liabilities		**(116,288)**	(182,039)
Net cash used in financing activities		**(176,288)**	(370,363)
Net (decrease)/increase in cash and cash equivalents		**(147,121)**	363,880
Cash and cash equivalents at beginning of year		**1,272,665**	908,785
Cash and cash equivalents at end of year	10	**1,125,544**	1,272,665

Notes to the financial statements

1 Reporting entity

Losugen Pty Ltd (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Level 8, 235 St Georges Tce, Perth 6000. The Company is a for-profit entity and primarily is involved in the manufacture of wear products.

2 Basis of preparation

(a) Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB). These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were approved by the Board of Directors on 24 May 2022.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

Notes to the financial statements

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows the are solely payments of principal and interest on the principal amount outstanding.

Financial assets – Subsequent measurement and gains and losses.

The Company has financial assets carried at amortised cost.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial liabilities – Classification, subsequent measurement and gains and losses.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(b) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3 Significant accounting policies (continued)

(c) Impairment

i. Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for ECLs(expected credit losses) on:

- financial assets measured at amortised cost; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are based on an estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

3 Significant accounting policies (continued)

(c) Impairment (continued)

ii. Non- financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

ii. Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance is expensed as incurred.

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

iii. Depreciation

During the year, the Company has adopted the straight-line method of depreciation for all of its assets.

As a result, all items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives for the current and comparative periods are as follows:

• Plant and equipment	8% - 50%
• Motor vehicles	18.75% - 25%
• Office furniture and fittings	10% - 67%
• Leasehold Improvements	4%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated by using weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bring them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

i. Goods sold

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Therefore, the amount of revenue recognised is adjusted for expected returns.

Customers obtain control of products when the goods are delivered and have been accepted at their premises. Invoices are generated at that point in time.

3 Significant accounting policies (continued)

(f) Revenue (continued)

ii. Services

Revenue is recognised at a point in time when the work has been approved. The Company recognises revenue from rendering of services based on the cost to cost method or when timesheets for services provided are approved and subsequently invoiced.

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated based on their relative stand-alone selling prices. The stand-alone selling price is determined based on that list prices at which the Company sells the services in separate transactions.

(g) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocated the consideration in the contract of each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site of which it is located, less an lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

3 Significant accounting policies (continued)

(g) Leases (continued)

i. As a lessee (continued)

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension of termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in the way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the varying value of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception of on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(h) Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and foreign exchange gains/losses.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Notes to the financial statements

3 Significant accounting policies (continued)

(i) Income tax

On 3 October 2016, the Company elected to form a tax consolidated group, effective 1 April 2014. Tega Holdings Pty Ltd is the head company of the tax consolidated group.

Tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year (determined as though the Company was not part of a tax consolidated group, but excluding transactions with entities within the tax consolidated group), using tax rates enacted or substantially enacted at the reporting date, and any adjustment to current tax in respect of previous years. As the Company is a member of a tax consolidated group, it does not recognise any tax payable. Instead, any amount of tax payable is recognised as a loan owing to the head company of the tax consolidated group, as agreed between the two companies.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each balance date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the financial statements

3 Significant accounting policies (continued)

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Government Grants

JobKeeper payments provided by government are accounted for under AASB 120. The Company recognises a receivable and income when it obtains control over the funding (i.e. becomes entitled to receive the subsidy).

(l) New standards and interpretations

In the period ended 31 March 2022, the Company has reviewed all of the new and revised standards and interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. As a result of this review, the Company has determined that there is no material impact of the new and revised standards and interpretations on the Company and, therefore, no material change is necessary to the Company's accounting policies.

Losugen Pty Ltd

Notes to the financial statements

4 Revenue

	2022 $	2021 $
Revenue		
Revenue from contracts with customers		
Sale of goods	**5,716,505**	4,275,303
Provision of services	**1,839,922**	939,622
Total revenue from contracts with customers	**7,556,427**	5,214,925

5 Other income

	2022 $	2021 $
Government subsidies	**-**	407,000
Other income	**344,570**	176,384
	344,570	583,384

6 Finance income and finance costs

	2022 $	2021 $
Interest income	**748**	1,676
Finance income	**748**	1,676
Interest expenses	**(1,720)**	(10,916)
Bank charges	**(1,238)**	(2,246)
Finance costs	**(2,958)**	(13,162)
Net finance cost	**(2,210)**	(11,486)

7 Personnel expenses

	2022 $	2021 $
Wages and salaries	**1,529,060**	1,458,613
Other associated personnel expenses	**298,271**	189,604
Contributions to defined contribution plans	**184,832**	158,253
	2,012,163	1,806,470

Notes to the financial statements

8 Income tax expense

	2022 $	2021 $
Current tax expense		
Current year	**156,317**	56,015
	156,317	56,015
Deferred tax expense		
Origination and reversal of temporary differences	**(68,542)**	(1,684)
Decrease in net deferred tax asset	**(68,542)**	(1,684)
Total income tax expense	**87,775**	54,331
Reconciliation of effective tax rate		
Profit for the year	**201,990**	224,298
Total income tax expense	**87,775**	54,331
Profit excluding income tax	**289,765**	278,629
Income tax using the Company's domestic tax rate of 30% (2021: 30%)	**86,929**	83,588
Non-deductible expenses	**846**	743
Non-assessable income	**-**	(30,000)
Income tax expense	**87,775**	54,331

On 3 October 2016, the Company elected to form a tax consolidated group, effective 1 April 2014. Tega Holdings Pty Ltd is the head company of the tax consolidated group.

9 Auditor's remuneration

	2022 $	2021 $
Audit services		
Auditor of the Company		
KPMG Australia:		
Audit of financial reports	**37,000**	40,000
	37,000	40,000
Other services		
Auditor of the Company		
KPMG Australia:		
Taxation services	**1,700**	1,600
Accounting services	**8,820**	8,550
	10,520	10,150
	47,520	50,150

10 Cash and cash equivalents

	2022 $	2021 $
Cash at bank	**1,125,544**	1,272,665
	1,125,544	1,272,665

Notes to the financial statements

11 Reconciliation of cash flows from operating activities

		2022	2021
Cash flows from operating activities	***Note***	**$**	**$**
Profit for the period		**201,990**	224,298
Adjustments for:			
Depreciation	14	**192,658**	274,478
Finance income	6	**(748)**	(1,676)
Impairment of trade receivables		**18,888**	12,120
Stock obsolescence expense		**79,756**	(42,029)
Gain on sale of property, plant and equipment		**(1,682)**	-
Interest expense	6	**1,720**	10,916
Income tax expense	8	**87,775**	54,331
		580,357	532,438
Changes in assets and liabilities:			
Change in trade and other receivables		**(1,039,733)**	576,564
Change in inventories		**(245,584)**	(137,449)
Change in employee benefits		**71,158**	45,232
Change in trade and other payables		**666,633**	(272,888)
Net cash generated from operating activities		**32,831**	743,897

12 Trade and other receivables

	2022	2021
	$	**$**
Trade receivables	**1,638,477**	617,128
Prepayments	**32,092**	32,596
Fixed deposit	**20,000**	20,000
	1,690,569	669,724

Trade receivables are represented net of provision for expected credit losses of $48,962 (2021: $30,000).

13 Inventories

	2022	2021
	$	**$**
Stock on hand	**1,799,549**	1,588,522
Less: Provision for stock obsolescence	**(334,469)**	(254,713)
	1,465,080	1,333,809
Stores and spares	**113,911**	79,354
	1,578,991	1,413,163

In 2022, inventories of $2,627,913 (2021: $1,843,588) were recognised as an expense during the period and included in the 'cost of sales'.

In addition, during the 2022 inventories of $79,756 (2021: $56,573) were written down to net realisable value. The write-downs are included in 'cost of sales'.

Losugen Pty Ltd

Notes to the financial statements

14 Property, plant and equipment

	Land and building $	Plant and equipment $	Motor vehicles $	Office furniture $	Lease improvements $	Total $
Cost						
Balance at 1 April 2021	**384,999**	**825,784**	**351,634**	**291,499**	**144,425**	**1,998,341**
Additions	**409,605**	**830**	**-**	**8,582**	**-**	**419,017**
Disposals	**-**		**(25,732)**	**-**	**-**	**(25,732)**
Balance at 31 March 2022	**794,604**	**826,614**	**325,902**	**300,081**	**144,425**	**2,391,626**
Depreciation						
Balance at 1 April 2021	**368,170**	**752,455**	**268,654**	**252,616**	**113,213**	**1,755,108**
Depreciation for the year	**113,167**	**13,122**	**21,294**	**13,901**	**31,174**	**192,658**
Disposals	**-**	**-**	**(22,414)**	**-**	**-**	**(22,414)**
Balance at 31 March 2022	**481,337**	**765,577**	**267,534**	**266,517**	**144,387**	**1,925,352**
Carrying amount at 31 March 2022	**313,267**	**61,037**	**58,368**	**33,564**	**38**	**466,274**
Cost						
Balance at 1 April 2020	384,999	825,784	351,634	280,169	144,425	1,987,011
Additions	-			11,330	-	11,330
Balance at 31 March 2021	384,999	825,784	351,634	291,499	144,425	1,998,341
Depreciation						
Balance at 1 April 2020	191,894	734,975	238,380	242,273	73,108	1,480,630
Depreciation for the year	176,276	17,480	30,274	10,343	40,105	274,478
Balance at 31 March 2021	368,170	752,455	268,654	252,616	113,213	1,755,108
Carrying amount at 31 March 2021	16,829	73,329	82,980	38,883	31,212	243,233

Losugen Pty Ltd

Notes to the financial statements

15 Tax assets and liabilities

Current tax assts and liabilities

As the Company is a member of a tax consolidated group, it does not recognise any tax payable. Instead, any amount of tax payable is recognised as a loan owing to the head company of the tax consolidated group, as agreed between the two companies.

The loan was credited by an amount relating to income tax payable by the Company of $156,317 in respect of 2022 (2021: $56,015) and represents the net amount of income taxes payable in respect of current and prior years (see Note 16).

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Movement in deferred tax balances			Balance at 31 March 2021		
	Net balance at 1 April $	Recognised in profit or loss $	Net $	Deferred tax assets $	Deferred tax liabilities $
Property, plant and equipment	(15,250)	(2,469)	(17,719)	(17,719)	-
Receivables	(9,404)	404	(9,000)	(9,000)	-
Right-of-use assets	57,932	(52,883)	5,049	-	5,049
Inventories	(89,023)	12,609	(76,414)	(76,414)	-
Prepayments	4,296	(91)	4,205	-	4,205
Employee benefits	(36,821)	(13,569)	(50,390)	(50,390)	-
Other items	(98,648)	54,315	(44,333)	(44,333)	-
Tax (assets)/liabilities before set-off	(186,918)	(1,684)	(188,602)	(197,856)	9,254
Set off tax	-	-	-	9,254	(9,254)
Net tax (assets)/liabilities	(186,918)	(1,684)	(188,602)	(188,602)	-

Movement in deferred tax balances			Balance at 31 March 2022		
	Net balance at 1 April $	Recognised in profit or loss $	Net $	Deferred tax assets $	Deferred tax liabilities $
Property, plant and equipment	**(17,719)**	**(5,779)**	**(23,498)**	**(23,498)**	**-**
Receivables	**(9,000)**	**(5,689)**	**(14,689)**	**(14,689)**	**-**
Right-of-use assets	**5,049**	**88,933**	**93,982**	**-**	**93,982**
Inventories	**(76,414)**	**(23,927)**	**(100,341)**	**(100,341)**	**-**
Prepayments	**4,205**	**(486)**	**3,719**	**-**	**3,719**
Employee benefits	**(50,390)**	**(54,665)**	**(105,055)**	**(105,055)**	**-**
Other items	**(44,333)**	**(66,929)**	**(111,262)**	**(111,262)**	**-**
Tax (assets)/liabilities before set-off	**(188,602)**	**(68,542)**	**(257,144)**	**(354,845)**	**97,701**
Set off tax	**-**	**-**	**-**	**97,701**	**(97,701)**
Net tax (assets)/liabilities	**(188,602)**	**(68,542)**	**(257,144)**	**(257,144)**	**-**

Notes to the financial statements

16 Trade and other payables

	2022 $	2021 $
Trade payables	**1,347,556**	769,208
Net GST payable	**79,200**	46,461
Payroll related payables	**167,867**	95,738
Intercompany payable (i)	**411,838**	315,521
Sundry creditors	**2,609**	19,382
	2,009,260	1,246,310

(i) This amount payable to Tega Holdings Pty Ltd includes the portion of tax payable by the tax consolidated group that is attributable to the Company.

17 Employee benefits

	2022 $	2021 $
Current		
Annual leave provision	**140,557**	93,572
	140,557	93,572
Non-Current		
Long service leave provision	**98,568**	74,395
	98,568	74,395

18 Capital and reserves

	2022 $	2021 $
Share capital		
On issue at 1 April	**2**	2
On issue at 31 March	**2**	2

The Company does not have authorised capital or par value in respect of its issued capital. All shares issued are fully paid.

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote at meeting of the Company. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds on liquidation.

Dividends

No dividends were paid by the Company to members since the end of the previous financial year (2021: $0).

19 Related Party

(a) Transactions with key management personnel

(i) Key management personnel compensation

The key management personnel compensation was $256,455 for the year ended 31 March 2022 (2021: $236,457).

(b) Other related party transactions

	Transaction values for the year ended 31 March 2022		Balance outstanding as at 31 March	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Purchase of goods and services				
Tega Industries Limited	**2,471,269**	1,708,755	**-**	-
Other				
Tega Industries Australia (Pty) Ltd	**402,610**	208,146	**-**	-
Interest income/(expense)				
Tega Holdings Pty Ltd (Australia)	**-**	(8,219)	**-**	-
Dividends paid				
Tega Holdings Pty Ltd (Australia)	**-**	-	**-**	-
Trade creditors				
Tega Industries Limited	**2,507,795**	1,708,755	**(903.708)**	(484,836)
Tega Industries Australia (Pty) Ltd	**487,037**	-	**37,006**	21,000
Loan payable				
Tega Holdings Pty Ltd (Australia)	**60,000**	188,324	**411,838**	315,521
Loans receivable/(payable) (tax benefit)				
Tega Holdings Pty Ltd (Australia)	**(156,317)**	(56,015)	**-**	-

All outstanding balances with related parties are priced on an arm's length basis. None of the balances are secured. No expense has been recognised in the current year or period year for bad or doubtful debts in respect of amounts owed by related parties. No guarantees have been given or received.

20 Events subsequent to reporting date

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

21 Capital commitments

The Company has committed capital expenditure of $226,141 as at 31 March 2022 (2021: nil).

22 Contingencies

The Company has no material contingent liabilities as at 31 March 2022 (2021: nil).

Notes to the financial statements

23 Leases

	2022 $	2021 $
Current		
Lease liabilities	**172,690**	24,946
	172,690	24,946
Non-current		
Lease liabilities	**147,293**	-
	147,293	-

The Company leases its warehouse and manufacturing unit.

Information about leases for which the Company is a lessee is presented below.

(i) Right-of-use assets

	2022 $	2021 $
Land and building		
Balance at 1 April	**16,829**	193,105
Additions to right-of-use assets	**409,605**	-
Depreciation	**(113,167)**	(176,276)
Balance at 31 March	**313,267**	16,829

(ii) Amounts recognised in profit or loss

	2022 $	2021 $
Interest on lease liabilities	**1,720**	2,697
Depreciation of right-of-use assets	**113,167**	176,276
Expenses relating to short-term leases	**113,612**	38,448
	228,499	217,421

The Company has a short-term lease commitment of $0 as at 31 March 2022 (2021: 143,466).

Losugen Pty Ltd

Directors' Declaration

In the opinion of the directors of Losugen Pty Ltd ("the Company"):

a) the Company is a small proprietary company and is not publicly accountable;

b) the financial statements and notes, set out on pages 3 to 24:

   (i) present fairly the financial position of the Company as at 31 March 2022 and its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date in accordance with the statement of compliance and basis of preparation described in Notes 1 to 3, and

   (ii) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and

c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Joe Viranna
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Satyamurti Joe Viranna
Director

Dated: 24/05/2022