CLIENT'S COPY

GRAVITA GLOBAL PTE. LTD.

(ACRA Registration No. 201204623C)

(Incorporated in The Republic of Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

CONTENTS

DIRECTORS' STATEMENT

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31st March 2017.

We, the directors of Gravita Global Pte.Ltd., state that:

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto as set out on pages 5 to 28 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended;

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

(c) management is responsible for the preparation of financial statements that gives a true and fair view in accordance with the provision of the Singapore Companies Act Cap 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

DIRECTORS

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

Vijendra Singh Tanwar (appointed on 01/08/16)
Nareshkumar Khushallbhai Gohel (appointed on 01/08/16)
Rajat Agrawal (resigned on 01/08/16)
Yogesh Malhotra (resigned on 01/08/16)
Kalyanasundaram Maran

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
Immediate and Ultimate Holding Corporation (No. of ordinary shares)	At 31st March 2017	At 1st April 2016 or date of appointment if later	At 31st March 2017	At 1st April 2016 or date of appointment if later
Gravita India Ltd (Incorporated in India)	1,345,000	1,345,000	-	-
Directors who has interest in Gravita India Ltd				
Vijendra Singh Tanwar (appointed on 01/08/16)	113,500	108,500	-	-
Nareshkumar Khushallbhai Gohel (appointed on 01/08/16)	-	-	-	-
Rajat Agrawal (resigned on 01/08/16)	32,677,725	32,677,725	-	-
Yogesh Malhotra (resigned on 01/08/16)	31,020	14,870	-	-
Kalyanasundaram Maran	-	-	-	-

DIRECTORS' STATEMENT (CONT'D)

The immediate, intermediate & ultimate holding company of the Company is Gravita India Limited, a Company incorporated in India.
Except as disclosed in this report, no director who held office at the end of financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations either at the beginning of the financial year, or date of appointment, if later, or at the end of the financial year.

(b) The directors' interest in the ordinary shares of the Company as at 11 MAY 2017 were the same as those as at 31st March 2017.

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

The Independent auditors, Stamford Associates LLP, Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

....
Vijendra Singh Tanwar
Director

....
Nareshkumar Khushalbhai Gohel
Director

Singapore
Dated: 11 MAY 2017

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAVITA GLOBAL PTE. LTD.
(REGISTRATION NO. 201204623C)
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2017

Our Opinion

In our opinion, the accompanying financial statements of GRAVITA GLOBAL PTE. LTD. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31st March 2017 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at 31st March 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with 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 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 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.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 1 to 2 but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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 AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF GRAVITA GLOBAL PTE. LTD.
(REGISTRATION NO. 2012042623C)

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 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.

STAMFORD ASSOCIATES LLP
SINGAPORE
T07LL0683E
CA (Singapore)

Stamford Associates

....
STAMFORD ASSOCIATES LLP
Public Accountants and Chartered Accountants,
SINGAPORE.
Dated: 11th May 2017

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2017

	Note	2017 US$	2016 US$
ASSETS			
Non-current assets			
Investment in Subsidiaries	4	1,441,102	1,441,010
Total Non - Current assets		1,441,102	1,441,010
Current assets			
Trade and other receivables	5	845,527	273,060
Cash and cash equivalents	8	71,392	17,242
Total Current Assets		916,919	290,302
Total Assets		2,358,021	1,731,312
LIABILITIES			
Non - Current liabilities			
Deferred Tax Liability	17	-	-
Total Non - Current Liabilities		-	-
Current liabilities			
Trade and other payables	9	(638,144)	(7,102)
Provision for taxation	16	-	-
Total Current Liabilities		(638,144)	(7,102)
Total Liabilities		(638,144)	**(7,102)**
NET ASSETS		**1,719,877**	**1,724,210**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share Capital	3	1,345,000	1,345,000
Accumulated Profit		374,877	379,210
Total Equity		**1,719,877**	**1,724,210**

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

	Note	2017 US$	2016 US$
Sales	10	24,660	67,779
Cost of sales	11	(23,760)	(59,769)
Gross profit		900	8,010
Other income	12	15,893	9,352
		16,793	17,362
Less :			
Administrative and Other operating expenses		(20,993)	(52,544)
Loss from operations	13	(4,200)	(35,182)
Non - Operating Income			
Finance costs		-	-
Loss Profit before tax		(4,200)	(35,182)
Income tax expense	16	-	-
Deferred Tax	15	-	-
Loss Profit from continuing operations		(4,200)	(35,182)
Profit / (loss) from discontinued operations		-	-
Total Loss		(4,200)	(35,182)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income, net of tax		-	-
Total Comprehensive Loss		**(4,200)**	**(35,182)**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

	Attributable to equity holders of the Company		
	Share Capital	**Accumulated Profit**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1st April 2015	1,345,000	414,392	1,759,392
Total comprehensive (loss) for the financial year	-	(35,182)	(35,182)
Balance as at 31st March 2016	**1,345,000**	**379,210**	**1,724,210**
Prior year adjustments		(133)	(133)
Total comprehensive (loss) for the financial year	-	(4,200)	(4,200)
Balance as at 31st March 2017	**1,345,000**	**374,877**	**1,719,877**

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

	Note	2017 US$	2016 US$
Cash flows from operating activities			
Profit / (Loss) **before** tax		(4,200)	(35,182)
Adjustments for:			
Depreciation Expense		-	56
Cash Flows Before Changes in Working Capital		(4,200)	(35,126)
Change in working capital, excluding changes relating to cash and cash equivalents:			
Inventories		-	30,726
Trade and other receivables	5	(572,467)	293,042
Trade and other payables	9	631,042	(265,371)
Net Cash Used in Operations		58,575	58,397
Cash generated from operations		54,375	23,271
Income tax paid	16	(133)	(21,033)
Net cash generated from/ (used in) operating activities		54,242	2,238
Cash flows from investing activities			
Investment in Subsidiaries	4	(92)	-
Disposal of property, plant & equipment		-	(77,682,270)
Net cash (used in) investing activities		(92)	21,596,879
		54,150	(18,722)
Cash flows from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		54,150	(18,722)
Cash and cash equivalents at beginning of the financial year		17,242	35,964
Cash and cash equivalents at the financial year end	8	**71,392**	**17,242**

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

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

1. General information

Gravita Global Pte. Ltd. (the "Company") is a company incorporated and domiciled in Singapore. The registered office and principal place of business is situated at 7500A, Beach Road, #04-327, The Plaza, Singapore 199591.

The principal activities of the Company are relating to the business of General Wholesale Trade (including importers and exporters) and Other Investment Holding Companies. There have been no significant changes in the nature of these activities during the financial year.

The immediate & ultimate holding company of the Company is Gravita India Limited, a Company incorporated in India..

2. Significant Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 24.

Interpretations and amendments to published standards effective in 2017

On 1st April 2017, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

New or amended Standards and Interpretations effective for 2017 calendar year-ends

The following are **the new or amended Standards and Interpretations** that should be disclosed in the Basis of preparation note if the change in accounting policy had a material effect on the current or prior periods, or may have a material effect on future periods:

Effective for annual periods beginning on or after 1 January 2017:

1 April 2017 FRS 114 Regulatory Deferral

Amendments to:

- FRS 27 - Separate financial statements (Equity method in separate financial statements)
- FRS16 - Property plant and equipment and FRS 38 Intangible assets (Clarification of acceptable) methods depreciation and amortisation)
- FRS 16 - Property plant and equipment and FRS 41 Agriculture (Agriculture: Bearer plants)
- FRS 111 - Joint arrangements (Accounting for acquisitions of interests in joint operations)
- FRS 1 - Presentation of financial statements (Disclosure initiative)
- FRS 110 - Consolidated financial statements,
- FRS 112 - Disclosure of interests in other entities and
- FRS 28 Investments in associates and joint ventures (Investment entities: Applying the consolidation exception) (Editorial corrections in June 2016)

2. Significant Accounting Policies (Continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Company's activities. Sales are presented, net of goods and services tax, rebates and discounts.

The Company assesses its role as an agent or principal for each transaction and in an agency arrangement the amounts collected on behalf of the principal are excluded from revenue. The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:

(a) Sale of goods

Sale of goods revenue represents the invoiced value net of discounts during the financial year and is recognised when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods.

These goods are sold to certain customers with volume discount and the customers also have the right to return faulty goods. Revenue from these sales is recorded based on the contracted price less the estimated volume discount and returns at the time of sale. Past experience and projections are used to estimate the anticipated volume of sales and returns.

(b) Interest income

Interest income, including income arising from fixed deposits and other financial instruments, is recognized using the effective interest method.

(c) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.3 Government grants

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

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

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

2.4 Financial assets

(a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity and available-for sale. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and in the case of assets classified as held-to maturity, re-evaluates this designation at each statement of financial position date.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy.

2. Significant accounting policies (continued)

2.4 Financial assets(continued)

(a) Classification(continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realized later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 7) on the statement of financial position.

(iii) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. If the Company were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the statement of financial position date which are presented as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the statement of financial position date

(b) Recognition & Derecognition

Regular way purchases and sales of financial assets are recognized on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognized in profit or loss. Any amount previously recognized in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognized until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

(c) Initial measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognized at fair value. Transaction costs for financial assets at fair value through profit or loss are recognized immediately as expenses.

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to-maturity financial assets are subsequently carried at amortized cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognized in profit or loss when the changes arise.

2. Significant accounting policies (continued)

2.4 Financial assets(continued)

Interest and dividend income on available-for-sale financial assets are recognized separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analyzed into currency translation differences on the amortized cost of the securities and other changes; the currency translation differences are recognized in profit or loss and the other changes are recognized in other comprehensive income and accumulated in the fair value reserve.

Changes in the fair values of available-for-sale equity securities (i.e. non-monetary items) are recognized in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

2.5 Financial assets (Continued)

(e) Impairment

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognizes an allowance for impairment when such evidence exists.

(i) Loans and receivables/Held-to-maturity financial assets

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortized cost had no impairment been recognized in prior periods.

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.5 (e) (i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognized in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortization) and the current fair value, less any impairment loss previously recognized as an expense. The impairment losses recognized as an expense on equity securities are not reversed through profit or loss

(f) Offsetting financial instruments

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

2.6 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

2. Significant accounting policies (continued)

2.6 Financial liabilities(continued)

Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharges or cancelled or expired.

2.7 Financial guarantees

Financial guarantees are initially recognized at their fair values plus transaction costs in the Company's statement of financial position.

Financial guarantees are subsequently amortized to profit or loss over the period of the borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortized amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's statement of financial position.

2.8 Impairment of non- financial assets

Intangible assets, Property, plant and equipment and/or Investments in subsidiaries, associated companies and joint ventures.

Intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date, in which case they are presented as non-current liabilities.

(a) Borrowings

Borrowings are initially recognized at fair value (net of transaction costs) and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(b) Redeemable preference shares

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognized as finance expenses.

2. Significant accounting policies (continued)

2.10 Leases

The Company leases motor vehicles under finance lease and warehouse and office equipment under operating lease.

(i) Lessee – Finance leases

Leases where the Company assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognized on the statement of financial position as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognized in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

2.10 Leases (continued)

(ii) Lessee – Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognized in profit or loss on a straight-line basis over the period of the lease. Contingent rents are recognized as an expense in profit or loss when incurred.

2.11 Inventories

Inventories are carried at the lower of cost and/or net realizable value. Cost is calculated using the first in first out method and comprises all cost of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Income taxes

Income tax for the year comprises current and deferred tax. Income tax is recognized in the income and expenditure statement except to the extent that it related to its items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized, using the Statement of Financial Position method, providing for all temporary differences at the Statement of Financial Position date between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax is not recognized for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates and tax laws that have been enacted or substantively enacted by the Statement of Financial Position date. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each Statement of Financial Position date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.13 Provisions

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

2.14 Employee Compensation

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

2. Significant accounting policies (continued)

2.14 Employee Compensation(continued)

(a) Defined contribution plans

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

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

2.15 Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Company are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollars, which is the functional currency of the Company.

(b) Transactions and balances

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

However, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations are recognized in other comprehensive income and accumulated in the currency translation reserve. When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal. Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net". Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.16 Related Parties

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

2.17 Cash and cash equivalents

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

2.18 Trade and other receivables

Trade receivables and other receivables are classified and accounted for as loans and receivables under FRS 39 Financial Instruments: Recognition and Measurement (FRS 39). They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is evidence that the Company will not able to collect all amounts due to according to the original terms of the receivables. The amount of the allowance is recognized in the income and expenditure statement.

2. Significant accounting policies (continued)

2.19 Trade and other payables

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

2.20 Share capital

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

2.21 Subsidiaries

Investments in Subsidiaries are carried at cost less accumulated impairment losses in the Company's Statement of Financial Position.

(i) Exemption from preparing consolidated financial statements

These financial statements are the separate financial statements of the Company. The Company is exempted in line with paragraph 4(a) of FRS 110 from the preparation of consolidated financial statements as the Company is a subsidiary of 'Gravita India Limited', a Company incorporated in India which produces consolidated financial statements available for public use.

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the noncontrolling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

(iii) Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to statement of comprehensive income or transferred directly to retained earnings if required by a specific Standard.

Amounts recognised in other comprehensive income in respect of that entity are also reclassified to statement of comprehensive income or transferred directly to retained earnings if required by a specific Standard. Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in statement of comprehensive income. Please refer to the paragraph "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

2. Significant accounting policies (continued)

2.21 Subsidiaries(continued)

(vi) Associated companies

Associated companies are entities over which the Group has significant influence, but not control generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any. Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in statement of comprehensive income and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associated Company equals or exceeds its interest in the associated Company, including any other unsecured non-current receivables, the Group does not recognize further losses, unless it has obligations or has made payments on behalf of the associated Company. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group. Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognised in statement of comprehensive income.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in statement of comprehensive income. Please refer to the paragraph "Investments in subsidiaries, joint ventures and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.21 Intangible assets

Acquired definite-lived intangible assets are amortized using the straight-line method over their estimated useful life. The useful lives are evaluated every year. Patents and trademarks with a definite useful live acquired from third parties either separately or as part of the business combination are capitalized at cost and amortized over their remaining useful lives. Intangible assets acquired as part of a business combination are capitalized at their acquisition-date fair value.

The preliminary expenditure capitalized includes the cost of legal, professional & secretarial fee and an appropriate proportion of overheads. Amortization of capitalized preliminary expenditure is charged in full to the Statement of income on a straight-line basis over the next financial year.

3. Share capital

	Issued share capital	
As at 31st MARCH 2017	No. of ordinary shares	Amount US$
Beginning of the financial year	1,345,000	1,345,000
Shares issued	-	-
End of the financial year	1,345,000	1,345,000
	No. of ordinary shares	Amount US$
As at 31st MARCH 2016		
Beginning of the financial year	1,345,000	1,345,000
Shares issued	-	-
End of the financial year	**1,345,000**	**1,345,000**

3. Share capital (continued)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and a right to receive dividends as and when declared by the Company. The Company is not exposed to any externally imposed capital requirements and there are no restrictions to issue shares.

4. Investment in Subsidiary

Unquoted Equity Investment – at cost	2017 US$	2016 US$
Balances as at beginning of the financial year	1,441,010	1,419,760
Additional Investments during the year	92	21,250
Acquisitions during the year	-	-
	1,441,102	1,441,010
Less: Prior year Fair value adjustments	-	-
Current year impairment loss	-	-
Balance at the end of the financial year	1,441,102	1,441,010

The following information relates to the subsidiary:

Direct subsidiaries

Name of companies	Principal activities	Country	Cost of investment 2017 US$	2016 US$	Equity holding 2017 %	2016 %
1. Gravita Netherlands BV	Other investment holding companies & general wholesale trade	Netherlands	1,419,560	1,419,560	100	100
2. Gravita Nicaragua SA	General wholesale trade	Nicaragua	200	200	5	5
3. Gravita Mozambique Lda**	General wholesale trade	Mozambique	21,250	21,250	3.62	3.62
4. Gravita Tanzania Ventures Limited	General wholesale trade	Republic of Tanzania	92	-	1	-
TOTAL			1,441,102	1,441,010		

Indirect subsidiaries (Held by Gravita Netherlands BV)

Name of companies	Principal activities	Country	Cost of investment 2017 US$	2016 US$	Equity holding 2017 %	2016 %
1.Gravita Senegal SAU	General wholesale trade	Senegal	830,000	830,000	100	100
2.Gravita Mozambique	General wholesale trade	Mozambique	563,750	563,750	96.38	96.38
3.Gravita USA Inc	General wholesale trade	USA	90,000	40,000	100	100
4.Gravita Tanzania Ventures Limited	General wholesale trade	Republic of Tanzania	9,133	-	99	-
5.Gravita Nicaragua SA	General wholesale trade	Nicaragua	528,790	3,790	95	95
6.Navam Lanka Ltd	General wholesale trade	Sri Lanka	1,033,000	1,033,000	52	52
7.Gravita Jamaica	General wholesale trade	Jamaica	79	-	100	-
8.Recyclers Costa Rica	General wholesale trade	Netherlands	115,000	-	100	-
9.Recyclers Ghana Ltd	General wholesale trade	Netherlands	-	-	100	-
10.Gravita Mali SA	General wholesale trade	Netherlands	-	-	100	-
11. Gravita Mauritania SARL	General wholesale trade	Netherlands	2,786	-	100	-
12. Gravita Cameroon	General wholesale trade	Netherlands	1,640	-	100	-
TOTAL			3,174,178	2,470,540		

**At the end of the financial year, the Company owns directly (3.62%) and indirectly (96.38%) aggregating to 100% of shares in Gravita Mozambique LDS.

4. Investment in Subsidiary(continued)

Investment in Subsidiaries approximates its fair value as on the Statement of Financial Position date. Please also refer to Note 21.1(c).

In line with Singapore Companies Act Cap 50 section 201(3BA) and FRS 110 the Company is exempt from presenting consolidated accounts. The Company satisfies all the conditions of FRS 110 paragraph 4(a) from presenting consolidation financial statements for the year;

a) it is wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent presenting consolidated financial statements;

b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);

c) it did not file, nor it is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and

d) its ultimate or any intermediate parent produces consolidated financial statements that are available for public use. The immediate parent consolidated financial statement can be obtained from it registered office.
The ultimate parent Company 'Gravita India Limited', a Company incorporated in India produces consolidated financial statements available for public use.

Financial statements of direct & indirect subsidiaries are not audited as they are not mandatorily required as per the laws of their respective countries of incorporation. Management used management certified financial statements (unaudited) for the purpose of impairment assessment of Investment in Subsidiaries.

5. Trade and other receivables

	2017 US$	2016 US$
Trade receivables (Note 6)	-	-
Other receivables (Note 7)	845,527	273,060
Total trade and other receivables	845,527	273,060

6. Trade receivables

	2017 US$	2016 US$
Trade receivables	-	-
Less:- Provision for doubtful debts		
Balance at 1st April	-	-
Current year provision	-	-
Provision written back during the financial year	-	-
	-	-
Balance at 31st March	-	-

The average credit period of trade receivables is 30-180 days. Trade receivables approximate its fair value as on the statement of financial position date.

The trade debtors are denominated in the following currencies:-

	2017 US$	2016 US$
Singapore Dollars	-	-
United States Dollars	-	-
	-	-

7. Other receivables

	2017 US$	2016 US$
- Third parties	-	5,873
- Related parties' advances (trade)	845,527	267,187
	845,527	273,060

Other receivables approximate its fair value as on the statement of financial position date and are denominated in United States Dollars. The advances paid to related parties are under normal trade terms.

8. Cash and cash equivalents

	US$	US$
Cash in hand		-
Cash at bank	71,392	17,242
Cash & cash equivalents per statement of cash flows	71,392	17,242

The cash and cash equivalents approximate its fair value and are denominated in the following currencies:-

	2017 US$	2016 US$
Singapore Dollars	2,007	2,280
United States Dollars	69,385	14,962
	71,392	17,242

9. Trade and other payables

	2017 US$	2016 US$
Trade payables:		
- Related parties	-	-
- Non-related parties	-	-
	-	-
Other payables:		
- Accruals for operating expenses	6,296	6,346
- Other creditors	1,848	756
- Related party (non-trade)	630,000	-
	638,144	7,102
Total trade & other payables	638,144	7,102

The average credit period of trade payables is 30-180 days. Other payable due to holding company is nontrade, unsecured, interest free and repayable on demand.
Trade and Other payables approximate its fair value as on the statement of financial position date and are denominated in following currencies:

	2017 US$	2016 US$
Singapore Dollars	8,144	6,346
United states dollars	630,000	756
	638,144	7,102

10. Revenue

	2017 US$	2016 US$
Sale of goods	24,660	67,779

Sale of goods revenue represents the invoiced value of goods net of discount and is recognised at the point of invoicing when the risk & rewards of the ownership of goods are shifted to buyer.

11. Cost of sales

The cost of sales comprise of the following:-

	2017 US$	2016 US$
Purchases & other direct costs	23,760	59,769

12. Other income

	2017 US$	2016 US$
Interest income	10,003	5,812
Exchange gain	255	3,540
Tax refund	5,636	-
	15,894	9,352

13. (Loss) / Profit from operations

(Loss) / Profit from operations is arrived after charging following *major* expenses:

	2017 US$	2016 US$
Bank charges	3,354	-
Exchange Loss / (gain)	-	(3,540)
Professional charges	-	5,950
Legal and Professional fees	3,930	1,524
Travelling and conveyance	52	2,449

14. Employee compensation

	2017 US$	2016 US$
Salaries and Other Benefits	5,469	26,838
Employer's contribution to defined contribution plans	-	-
	5,469	26,838

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

	2017 US$	2016 US$
Wages and salaries	-	-
Employer's contribution to defined contribution plans	-	-
Termination benefits	-	-
	-	-

15. Deferred Taxation

Movement in deferred income tax account is as follows:-

	2017 US$	2016 US$
Balance as at 1st April	-	-
Current year adjustments to profit & loss	-	-
Overprovision of deferred tax	-	-
Balance as at 31st March	-	-

16. Taxation

Movement of current income tax liabilities are as follows:-

	2017	2016
		US$
Balance as at 1st April	-	21,033
Previous year (over) /under provision	-	(2,133)
Current year provision	-	-
Income tax paid	-	(22,964)
Income tax refund	-	4,064
Balance as at 31st March	-	-

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

	2017	2016
	US$	US$
(Loss) / Profit before income tax	(4,200)	(35,182)
Tax calculated at tax rate of 17%	-	-
Effects of:		
- expenses not deductible for tax purposes	-	-
- Prior year's (over)/under provision	-	-
-Tax exemption and rebates	-	-
Tax expense	-	-

The provision for tax is subject to the approval of Inland Revenue authority of Singapore (IRAS).

17. Significant related party transactions

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

	2017	2016
	US$	US$
Related Companies:		
- Trade related		
Gravita Senegal S.A.U		-
Gravita Ghana Ltd - advance		-
Gravita Nicaragua - advance		-
Gravita Netherlands-advance	845,527	267,187
- Non trade payables – Gravita India		-
- Purchases		-
- Acquisition of Subsidiary (Gravita Mozambique LDA)	-	21,250
Key management personnel compensation	-	-

18. Contingencies & commitments

19.1 Contingent liabilities

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

19.2 Capital commitments

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

19.3 Operating lease commitments – where the Company is a lessee

The future minimum lease payables under non-cancellable operating leases contracted for at the statement of financial position date but not recognized as liabilities, are none.

19. Financial risk management

Financial risk factors

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

20.1 Market risk

(a) *Currency risk*

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

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

At 31st March 2017	Cash and cash equivalents	Trade and Other receivables	
Financial assets:	US$	US$	Total US$
Singapore Dollars	2,007	-	2,007
Others	-	-	-
	2,007	-	2,007

	Trade payables	Other payables	
Financial liabilities:	US$	US$	Total US$
Singapore Dollars	-	8,143	8,143
Others	-	-	-
	-	8,143	8,143

Foreign currency sensitivity

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

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

	2017	**2016**
Financial assets (net of tax @ 17%):	US$	US$
Profit/ (loss)	167	189
Other equity		-
	167	189

	2017	**2016**
Financial liabilities (net of tax @ 17%):	US$	US$
Profit/ (loss)	676	(527)
Other equity		-
	676	(527)

20. Financial risk management(continued)

20.1 Market risk(continued)

a) Currency risk(continued)

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

Financial assets (net of tax @ 17%):	2017 US$	2016 US$
Profit/ (loss)	(187)	(189)
Other equity		-
	(187)	(189)

Financial liabilities (net of tax @ 17%):	2017 US$	2016 US$
Profit/ (loss)	676	527
Other equity		-
	676	527

(b) Interest rate risk

The interest rate risk exposure is mainly on financial assets and financial liabilities. These financial instruments are both at fixed rate and floating rates.

The Company is not exposed to interest rate risk as there are no financial assets and financial liabilities at the date of statement of financial position which have any impact of fixed/floating interest rates.

Interest rate sensitivity

The sensitivity is estimated that an increase/decrease of 100 basis point in interest rate at the reporting date would lead to an increase/reduction in the profit before tax.
A decrease in the basis point in the interest rate would have an equal but opposite effect
The interest rate sensitivity is not applicable for the Company as there is no interest rate risk.

20.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade receivables.

For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history, and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.
Credit exposure to an individual counterparty is restricted by credit limits that are based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored by management.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

20. Financial risk management(continued)

20.2 Credit risk(continued)

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

By geographical areas:	2017 US$	2016 US$
India		-
Dubai, UAE		-
Others	-	-
	-	-
By types of customers:		
Related parties	-	-
Non-related parties	-	-
	-	-

(a) Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

(b) The age analysis of trade receivables is as follows:

	2017 US$	2016 US$
Less than 180 days		-
More than 180 days	-	-

The Company's top three customer sales during the financial year are as follows:-

	2017 US$	2016 US$
Top Customer 1	24,660	18,745
Top Customer 2	-	16,751
Top Customer 3	-	16,293

20.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by the Company for managing liquidity risk included cash (Note 10).

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

	Trade and other payables US$	Total US$
Maturity < 1 year		
Maturity 2 - 5 years	-	-
Variable / Fixed interest rate	NIL	

20. Financial risk management(continued)

20.3 Liquidity risk(continued)

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents) of the Company on the basis of expected cash flow. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group.

These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring liquidity ratios and maintaining debt financing plans.

20.4 Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Management monitors capital based on a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	2017	2016
	US$	US$
Net debt	566,752	(10,140)
Total equity	1,719,877	1,724,210
Total capital	2,286,629	1,714,070
Gearing ratio	**24.78%**	-

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

	2017	2016
	US$	US$
Total liability	638,144	7,102
Tangible net worth	1,719,877	1,724,210
Leverage ratio	**37.10 times**	-

20.5 Fair value measurements

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

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1		Level 2		Level 3	
	2017	2016	2017	2016	2017	2016
	US$	US$	US$	US$	US$	US$
Financial assets	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
	-	-	-	-	-	-

20. Financial risk management(continued)

20.5 Fair value measurements (continued)

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward currency rates at the statement of financial position date.

These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3. The following table presents the changes in Level 3 instruments:

	Financial Assets		Financial Liabilities	
	2017	2016	2017	2016
	US$	US$	US$	US$
Beginning of financial year	-	-	-	-
Transfers / (purchases)	-	-	-	-
Fair value gains/ (loss)	-	-	-	-
End of financial year	-	-	-	-
Total gains/ (losses) for the period	-	-	-	-

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated based on quoted market prices or dealer quotes for similar instruments by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. The fair value of current borrowings approximates their carrying amount.

21. Critical accounting estimates, assumptions and judgments

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

21.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have known significant risks of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are none.

(a) Estimated impairment of non-financial assets

Intangible assets, property, plant and equipment and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Uncertain tax positions

The Company is subject to income taxes in Singapore jurisdiction. In determining the income tax liabilities, management has estimated the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

The Company has some open tax assessments with the tax authority at the statement of financial position date. As management believes that the tax positions are sustainable, the Company has not recognized any additional tax liability on these uncertain tax positions.

21. Critical accounting estimates, assumptions and judgments(continued)

21.1 Critical accounting estimates and assumptions(continued)

(c) Impairment of investment in subsidiaries (Refer to Note 4)

The overall impairment of investment in subsidiaries is assessed based on fair value of net assets / (liabilities) as per *unaudited* financial statements of those subsidiaries. Have those financial statements would have been audited; the impairment assessment could have been assessed differently depending on variations if any between audited and unaudited financial statements of those subsidiaries.

22. New or revised accounting standards and interpretations

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published1 but are only effective for the Company's accounting periods beginning on or after 1 April 2017. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

23. Authorization of the financial statements

These financial statements of the Company as at 31st March 2017 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of GRAVITA GLOBAL PTE. LTD. 1 1 MAY 2017.