

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

**REGISTERED OFFICE:**  
101 Cecil Street  
#11-01 Tong Eng Building  
Singapore 069533

INCOME TAX REFERENCE NO: 200809977K

UNITED STATES (US\$) CURRENCY

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**Contents**

	Page
Statement by Directors	2
Independent Auditors' Report	4
Statement of Financial Position	8
Statement of Comprehensive Income	10
Statement of Changes in Equity	12
Statement of Cash Flows	14
Notes to the Financial Statements	18

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**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2017*

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The directors of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2017 and the statement of financial position of the Company as at 31 March 2017.

**OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (a) The consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) At the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**DIRECTORS**

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

DEEPAK KOTHARI  
SOMESH GANERIWAL  
SENTHILNATHAN VISWANATHAN

**ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

Neither at the end of nor at any time during the financial year ended to 31 March, 2017 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.

**DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

According to the register kept under Section 164 of the Companies Act, Chapter 50, the following directors of the Company who held office at the end of the financial year had an interest in the shares of the company as stated below:-

## KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

### DIRECTORS' STATEMENT

For the financial year ended 31 March 2017

	Shares registered in the Name of directors of the Company		Shares registered in the Names of directors in the holding company	
	As at 1-Apr-16	As at 31-Mar-17	As at 1-Apr-16	As at 31-Mar-17
Somesh Ganeriwal	20	20		
Deemed Interest Shares held through holding company				
KOTHARI PRODUCTS LIMITED	10,000,000	10,000,000		
Deepak Kothari			16,576,596	16,576,596

### 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 or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

### AUDITOR

The independent auditor, T. Ravi & Co., Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

  
SENTHILNATHAN VISWANATHAN

  
SOMESH GANERIWAL

Singapore, 29 JUN 2017



**T RAVI & Co**  
CHARTERED ACCOUNTANTS

101 Cecil Street  
#24-10 Tong Eng Building  
Singapore 069533

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[audit@travicpa.com](mailto:audit@travicpa.com)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

### OPINION

We have audited the accompanying consolidated financial statements of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** (the "company") and its subsidiaries (the "group"), which comprises of the statement of financial position of the Group and the Statement of financial position of the company as at **31 March 2017**, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 8 to 46.

In our opinion, except for effects of the mater described in the Basis of Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of 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 consolidated financial position of the Group and the financial position of the Company as at **31 March 2017**, and of its consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended on that date.

### BASIS OF 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 Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### OTHER INFORMATION

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

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





**T RAVI & Co**  
CHARTERED ACCOUNTANTS

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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 Companies 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The director's responsibilities include overseeing the Group'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 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 the financial statements.

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





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1. Identify and assess the risks of material misstatement of 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.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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 Group'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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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, which are incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

**T Ravi & Co.,**  
**Chartered Accountants of Singapore and**  
**Public Accountants.**

Singapore, 29 June 2017.



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED***(Incorporated in Singapore with its Registration Number 200809977K)***STATEMENT OF FINANCIAL POSITION***For the financial year ended 31 March 2017*

	<u>Note</u>	Group 2017 US\$	Group 2016 US\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investments in unquoted shares	5	803,205	-
Investment properties		-	173,475
Plant and Equipment	6	17,843	30,174
		<u>821,048</u>	<u>203,649</u>
<b>Current Assets</b>			
Trade receivables	7	46,785,687	42,061,161
Other receivables, deposits and prepayments	8	92,250	48,105
Cash and bank balances	9	8,067,978	7,746,483
		<u>54,945,915</u>	<u>49,855,749</u>
<b>Less: Current Liabilities</b>			
Trade payables	10	2,695,711	3,662,939
Other payables and accruals	12	184,284	187,369
Bank Borrowings, secured	13	34,345,845	28,996,170
Provision for taxation	14	228,479	266,202
		<u>37,454,319</u>	<u>33,112,680</u>
<b>Net Current assets</b>		<u>17,491,596</u>	<u>16,743,069</u>
<b>Net assets</b>		<u>18,312,644</u>	<u>16,946,718</u>
<b>EQUITY</b>			
Share capital	15	7,614,662	7,614,662
Retained profit		10,791,982	9,430,350
Translation Reserve		(94,000)	(98,294)
		<u>18,312,644</u>	<u>16,946,718</u>

  
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**SENTHILNATHAN  
VISWANATHAN**  
Director  
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**SOMESH GANERIWAL**  
Director  
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**T Ravi & Co.,**  
Chartered Accountants  
of Singapore and Public  
Accountants

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**

(Incorporated in Singapore with its Registration Number 200809977K)

**STATEMENT OF FINANCIAL POSITION**

For the financial year ended 31 March 2017

	<u>Note</u>	Company 2017 US\$	Company 2016 US\$
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment in subsidiary	4	76,629	76,629
Plant and Equipment	6	17,843	30,174
		<u>94,472</u>	<u>106,803</u>
<b>Current Assets</b>			
Trade receivables	7	46,785,687	42,061,161
Other receivables, deposits and prepayments	8	92,250	48,105
Cash and bank balances	9	8,060,887	7,741,437
		<u>54,938,824</u>	<u>49,850,703</u>
<b>Less: Current Liabilities</b>			
Trade payables	10	2,695,711	3,662,939
Amount owing to subsidiary company	11	671,793	1,229,778
Other payables and accruals	12	177,968	181,448
Bank Borrowings, secured	13	34,345,845	28,996,170
Provision for taxation	14	228,479	266,202
		<u>38,119,796</u>	<u>34,336,537</u>
<b>Net Current assets</b>		<u>16,819,028</u>	<u>15,514,166</u>
<b>Net assets</b>		<u>16,913,500</u>	<u>15,620,969</u>
<b>EQUITY</b>			
Share capital	15	7,614,662	7,614,662
Retained profit		9,298,838	8,006,307
		<u>16,913,500</u>	<u>15,620,969</u>

  
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**SENTHILNATHAN  
VISWANATHAN**  
Director

  
\_\_\_\_\_  
**SOMESH GANERIWAL**  
Director

  
\_\_\_\_\_  
**T Ravi & Co.,**  
Chartered Accountants  
of Singapore and Public  
Accountants

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED***(Incorporated in Singapore with its Registration Number 200809977K)***STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2017*

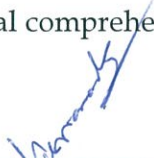

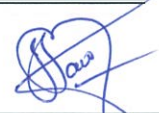
	<u>Note</u>	Group 01/04/2016 to 31/03/2017 US\$	Group 01/04/2015 to 31/03/2016 US\$
Revenue	16	156,104,062	167,420,139
Direct costs – purchases and incidentals	17	(152,591,826)	(163,964,112)
Other income	18	65,136	87,071
Staff cost inclusive of directors' remuneration	19	(450,651)	(415,275)
Depreciation expenses	6	(17,497)	(17,826)
Operating lease rental	20	(89,010)	(87,323)
Finance costs		(1,322,913)	(1,149,185)
Other operating expenses		(69,933)	(84,691)
<b>Net Profit before taxation</b>	21	<u>1,627,368</u>	<u>1,788,798</u>
Income tax	14	(265,736)	(239,231)
<b>Net Profit for the year</b>		<u>1,361,632</u>	<u>1,549,567</u>
Other comprehensive income		-	-
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u><u>1,361,632</u></u>	<u><u>1,549,567</u></u>

  
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**SENTHILNATHAN  
VISWANATHAN**  
Director  
\_\_\_\_\_  
**SOMESH GANERIWAL**  
Director  
\_\_\_\_\_  
**T Ravi & Co.,**  
Chartered Accountants  
of Singapore and Public  
Accountants



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**STATEMENT OF COMPREHENSIVE INCOME**  
For the financial year ended 31 March 2017

	<u>Note</u>	Company 01/04/2016 to 31/03/2017 US\$	Company 01/04/2015 to 31/03/2016 US\$
Revenue	16	156,013,247	167,420,139
Direct costs – purchases and incidentals	17	(152,590,847)	(163,963,524)
Other income	18	65,048	87,071
Staff cost inclusive of directors' remuneration	19	(450,651)	(415,275)
Depreciation expenses	6	(17,497)	(17,826)
Operating lease rental	20	(89,010)	(87,323)
Finance costs		(1,322,913)	(1,149,185)
Other operating expenses		(64,927)	(81,730)
<b>Net Profit before taxation</b>	21	<u>1,542,450</u>	<u>1,792,347</u>
Income tax	14	(249,919)	(239,231)
<b>Net Profit for the year</b>		<u>1,292,531</u>	<u>1,553,116</u>
Other comprehensive income		-	-
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u><u>1,292,531</u></u>	<u><u>1,553,116</u></u>
 <b>SENTHILNATHAN VISWANATHAN</b> Director	 <b>SOMESH GANERIWAL</b> Director	 <b>T Ravi &amp; Co.,</b> Chartered Accountants of Singapore and Public Accountants	

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**STATEMENT OF CHANGES IN EQUITY**  
*For the financial year ended 31 March 2017*

**GROUP**

	Issued Share Capital	Translation Reserve	Retained Profit	Total
	US\$		US\$	US\$
At 01 April 2015	7,614,662	(101,544)	7,880,783	15,393,901
Translation reserve arising during the year	-	3,250	-	3,250
Total Comprehensive Income for the year	-	-	1,549,567	1,549,567
At 31 March 2016	<u>7,614,662</u>	<u>(98,294)</u>	<u>9,430,350</u>	<u>16,946,718</u>
Total Comprehensive Income for the year	-		1,361,632	1,361,632
Translation reserve arising during the year	-	4,294	-	4,294
At 31 March 2017	<u><u>7,614,662</u></u>	<u><u>(94,000)</u></u>	<u><u>10,791,982</u></u>	<u><u>18,312,644</u></u>

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**STATEMENT OF CHANGES IN EQUITY**  
*For the financial year ended 31 March 2017*

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**COMPANY**

	<b>Issued Share Capital</b>	<b>Retained Profit</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
At 01 April 2015	7,614,662	6,453,191	14,067,853
Total Comprehensive Income for the year	-	1,553,116	1,553,116
At 31 March 2016	<u>7,614,662</u>	<u>8,006,307</u>	<u>15,620,969</u>
Total Comprehensive Income for the year	-	1,292,531	1,292,531
At 31 March 2017	<u><u>7,614,662</u></u>	<u><u>9,298,838</u></u>	<u><u>16,913,500</u></u>



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED***(Incorporated in Singapore with its Registration Number 200809977K)***STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2017***GROUP**

	Group 2017 US\$	Group 2016 US\$
<b>Cash flows from operating activities</b>		
Profit before income tax	1,627,368	1,788,798
Exchange difference arising out of consolidation	4,294	3,250
Profit on sale of investment	(91,837)	-
Depreciation	17,497	17,826
Interest expenses	1,322,913	1,149,185
Interest income	(62,773)	(56,424)
Operating cash inflow before working capital changes	<u>2,817,462</u>	<u>2,902,635</u>
Working capital changes:		
Trade and other receivables	(4,768,671)	(4,379,332)
Trade and other payables	(970,313)	531,090
Fixed deposit placed under lien	(865,925)	(661,635)
<b>Cash (used in) operations</b>	<u>(3,787,447)</u>	<u>(1,607,242)</u>
Income tax paid	(303,967)	(243,921)
Interest expenses	(1,322,913)	(1,149,185)
Interest income	62,773	56,424
<b>Net cash (used in) operating activities</b>	<u>(5,351,554)</u>	<u>(2,943,924)</u>
<b>Cash flow from investing activities</b>		
Purchase of Plant and equipment	(5,166)	(11,173)
Sale proceeds on sale of property	265,820	-
Investment in properties(Exchange rate)	-	(3,201)
Investment in unquoted shares	(803,205)	-
<b>Net cash outflow from investing activities</b>	<u>(542,551)</u>	<u>(14,374)</u>
<b>Cash flow from financing activities</b>		
Proceeds from bank	5,349,675	3,607,628
<b>Net cash inflow from financing activities</b>	<u>5,349,675</u>	<u>3,607,628</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(544,430)	649,330
Cash and cash equivalents at beginning of the year	987,902	338,572
<b>Cash and cash equivalents at the end of the year</b>	<u>443,472</u>	<u>987,902</u>

*The accompanying notes form an integral part of these financial statements.  
Auditors' Report – Page 4-6.*

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**STATEMENT OF CASH FLOWS**  
*For the financial year ended 31 March 2017*

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**NOTES TO STATEMENT OF CASH FLOWS**

- a) Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group 2017 US\$	Group 2016 US\$
Cash	1	1
Cash at banks	443,471	987,901
	<u>443,472</u>	<u>987,902</u>

Fixed deposits amounting to US\$7,624,506/- (2016: US\$6,758,581/-) is not taken into as cash and cash equivalent bank for the purpose of cash flow statement.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED***(Incorporated in Singapore with its Registration Number 200809977K)***STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2017***COMPANY**

	Company 2017 US\$	Company 2016 US\$
<b>Cash flows from operating activities</b>		
Profit before income tax	1,542,450	1,792,347
Depreciation	17,497	17,826
Interest expenses	1,322,913	1,149,185
Interest income	(62,773)	(56,424)
Operating cash inflow before working capital changes	2,820,087	2,902,934
Working capital changes:		
Trade and other receivables	(4,768,670)	(4,379,332)
Trade and other payables	(970,713)	532,557
Fixed deposit placed	(865,922)	(661,635)
<b>Cash (used in) operations</b>	<b>(3,785,218)</b>	<b>(1,605,476)</b>
Income tax paid	(287,642)	(243,921)
Interest expenses	(1,322,913)	(1,149,185)
Interest income	62,773	56,424
<b>Net cash (used in) operating activities</b>	<b>(5,333,000)</b>	<b>(2,942,158)</b>
<b>Cash flow from investing activities</b>		
Purchase of Plant and equipment	(5,166)	(11,173)
<b>Net cash outflow from investing activities</b>	<b>(5,166)</b>	<b>(11,173)</b>
<b>Cash flow from financing activities</b>		
Amount owing to subsidiary company	(557,984)	-
Proceeds from bank	5,349,675	3,607,628
<b>Net cash outflow from financing activities</b>	<b>4,791,691</b>	<b>3,607,628</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(546,475)</b>	<b>654,297</b>
Cash and cash equivalents at beginning of the year	982,856	328,559
<b>Cash and cash equivalents at the end of the year</b>	<b>436,381</b>	<b>982,856</b>

*The accompanying notes form an integral part of these financial statements.**Auditors' Report – Page 4-6.*



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**STATEMENT OF CASH FLOWS**  
*For the financial year ended 31 March 2017*

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**NOTES TO STATEMENT OF CASH FLOWS**

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Company 2017 US\$	Company 2016 US\$
Cash	-	-
Cash at banks	<u>436,381</u>	<u>982,856</u>
	<u>436,381</u>	<u>982,856</u>

Fixed deposits amounting to US\$7,624,506/- (2016: US\$6,758,581/-) is not taken into as cash and cash equivalent bank for the purpose of cash flow statement.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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

**1. CORPORATE INFORMATION**

The company is a limited liability company which is incorporated in the Republic of Singapore with its registered office at 101 Cecil Street, #11-01 Tong Eng Building, Singapore 069533.

The principal activities of the company are those of business in general wholesale trade (including imports and exports), business management and consultancy services and other general trade.

The company had 4 employees at the end of the financial year excluding the directors.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION**

The financial statements which are expressed in United States Dollars are prepared in accordance with the historical cost convention and/or as modified to its fair value and in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council and the disclosure requirements of the Singapore Companies Act Chapter 50.

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 accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgment and complexity, are disclosed elsewhere in this financial statements.

In 2015, the company adopted the new or revised FRS and interpretations to FRS (INT FRS) that are applicable in the current financial year. The adoption of this FRS/INT FRS did not result in substantial changes to the company's accounting policies. The directors anticipate that the adoption of FRS and INT FRS that are issued but not yet effective until future periods will not have any material impact on the financial statements of the company.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2017

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

In 2014, the company adopted the new or revised FRS and interpretations to FRS (INT FRS) that are applicable in the current financial period. The adoption of these FRS/INT FRS did not result in substantial changes to the company's accounting policies. The directors anticipate that the adoption of FRS and INT FRSs that have issued but not yet effective until future periods will not have any material impact on the financial statements of the company.

**a) Adoption of new and revised FRS**

With effect from 1 January 2016, the company has adopted the entire new and revised FRS that are mandatory for the financial years beginning on or after 1 January 2016. The following are the FRS that is relevant to the company:

*Issued in 2014*

FRS 114: Regulatory Deferral Accounts	1.1.2016
FRS 27: Amendments to FRS 27: Equity Method In Separate Financial statements	1.1.2016
FRS 16/FRS 38: Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1.1.2016
FRS16/FRS 41: Amendments to FRS 16 and FRS 41: Agriculture Bearer plants	1.1.2016
FRS 111: Amendments to FRS 111: Accounting for Acquisitions Of Interests in Joint operations	1.1.2016
FRS 115: Revenue from Contracts with customers	1.1.2017
FRS 110/FRS28: Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate Or Joint Venture	1.1.2016
FRS 109: Financial Instruments	1.1.2018
Amendments to FRS 107 Financial instruments: Disclosures	1.1.2016
Amendments to FRS 19 Employee Benefits	1.1.2016
Improvements to FRSs (November 2014)	

*Issued in 2015*

FRS 1: Amendments to FRS 1 Disclosure	1.1.2016
FRS 110,112, FRS28: Amendments to FRS 110, FRS 112 and FRS 28: Investment entities Applying Consolidation Exceptions	1.1.2016



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

The company expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

**(b) FRS and INT FRS not yet effective**

The following standards that have been issued but not yet effective are as follows:

Description	Effective for Annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
Amendments to FRS 110 and FRS 28: Sale or Contribution of	Date to be determined
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116 Leases	1 Jan 2019

Except for FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

**2.2 INVESTMENTS IN SUBSIDIARY COMPANY**

Investments in subsidiaries, joint ventures and associated companies are stated at cost less accumulated impairment loss in the company's balance sheet. On disposal of investments in subsidiaries, joint ventures and associated companies, the difference between net disposal proceeds and the carrying amount of the investment is taken to the income statement.

**Subsidiaries**

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

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquisition is measured as 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. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured as the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minority's share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary.

In such case, the excess and further losses applicable to the minority are attributed to the equity holders of the company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are attributed to the equity holders of the company until the minority's share of losses previously absorbed by the equity holders of the company has been recovered.

**2.3 INVESTMENT PROPERTIES**

Investment properties are properties held either to earn rental or for capital appreciation or both. Investment properties are initially recognised at costs, and subsequently at fair value with any change therein recognised in the income statement. The fair valuation is performed once in a year based on internal valuation or independent professional valuation. Independent professional valuation is obtained at least once every three years.

When an investment property is disposed off, the resulting gain or loss recognised in the income statement is the difference between the net disposal proceeds and carrying amount of the property.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.4 PLANT AND EQUIPMENT**

(a) Measurement

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

(b) Depreciation

Depreciation is calculated on a straight line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Furniture and fittings	05 years
Office equipment	03 years
Computers	03 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. Fully depreciated plant and equipment are retained in the financial statements at nominal value until such time when they are no longer in use and no further charge for depreciation is made in respect of these assets.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of such asset when it is probable that future economic benefits, in excess of the standard of performance of the assets before the expenditure was made, will flow to the company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(d) Disposal

An item of plant and equipments is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Impairment of assets**

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e.) the higher of the fair value less cost to sell and value in use of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit (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 impairment loss is recognised in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an 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 depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

**2.5 IMPAIRMENT**

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The impairment loss is charged to the profit and loss statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

**(a) CALCULATION OF RECOVERABLE AMOUNT**

The recoverable amount of the company's receivables carried is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. The effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

The recoverable amount of other assets is the greater of their fair values less costs to sell and value in use. 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. For an asset that does generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

**(b) REVERSALS OF IMPAIRMENT**

An impairment loss in respect of receivables carried at amortized cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment losses for the asset no longer exist or have decreased.

However, an impairment loss in respect of goodwill is not reversed. The increased carrying amount of an asset due to a reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for that asset in prior years.

**2.6 FINANCIAL ASSETS**

Financial assets within the scope of FRS 39 are reclassified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

When financial assets are recognised initially, they are measured at fair value, and, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The company determines the Classifications of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.7 TRADE RECEIVABLES**

Trade receivables are accounted for as receivables under FRS 39. They are recognised and carried at original invoiced amount, which represents their fair value on initial recognition, less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. The accounting policy for this category of financial assets is stated in Note 2.6.

**2.8 LOANS AND RECEIVABLES**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

**2.9 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash balances and bank deposits and highly liquid investments, which are readily convertible to cash and which are subject to an insignificant risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdraft, if any, which are repayable on demand and which form an integral part of the company's cash management. Restricted deposits are excluded from cash and cash equivalents.

**2.10 TRADE CREDITORS AND OTHER PAYABLES**

Trade creditors and other payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company and subsequently measured at amortised cost, using the effective interest method.

**2.11 PROVISIONS**

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, that it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.12 FINANCIAL LIABILITIES**

Financial liabilities at fair value through profit or loss are recognized initially at fair value. Financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial liability. After initial recognition financial liabilities at fair value through profit or loss, including derivatives that are financial liabilities, are measured at fair value. Other financial liabilities not at fair value through profit or loss are measured at amortized cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss statement over the period of the borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Items classified within trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

**2.13 TAXATION**

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in the financial statements or tax returns. The measurement of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effect of future changes in the tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognized for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred taxation benefits are recognised in the accounts only to the extent of any deferred tax liability or when benefits are expected to be realisable in the near future.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.14 LEASED ASSETS**

Leases on terms of which the company assumes substantially all risks and rewards of ownership of the leased items are classified as finance lease. Property, plant and equipment acquired by way of finance lease is capitalised at the lower of its fair value and the present value minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss statement.

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss statement on a straight-line basis over the lease term.

**2.15 SHARE CAPITAL**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. Where the company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and related income tax effects, is included in equity attributable to the company's equity holders and no gain or loss is recognised in the profit and loss statement.

**2.16 REVENUE RECOGNITION**

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer. The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the entity and it is shown net of related tax, estimated returns, discounts and volume rebates. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**(a) Sale of goods**

Revenue from sales of goods is recognised when the entity has delivered the products to the customers; the customer has accepted the products and the collectibility of the related receivables are reasonably assured.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Other Sales/Service income**

Revenue from services is recognised when the company has delivered the sales/service to the customer, the customer has accepted the sales/services and collectibility of the related receivables is reasonably assured.

**(c) Interest income**

Interest income on financial instruments is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue amortising the discount as interest income on the recoverable amount.

**2.17 EMPLOYEE BENEFITS**

**(1) *Defined contribution plans***

The company makes contributions to the Central Provident Fund, a defined contribution pension scheme. These contribution are recognised as an expense in the same period as the employment that gives rise to the contributions.

**(2) *Employee leave entitlement***

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for annual leave as a result of service rendered by employees up to the balance sheet date.

**2.18 FINANCE COSTS**

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds are recognised as an expense in the period in which they are incurred except for borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. The interest expense is calculated using the effective interest rate method.



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.19 FAIR VALUE FINANCIAL INSTRUMENTS**

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The carrying values of current financial assets and financial liabilities including cash, accounts receivable, short-term borrowings, account payable approximate their values due to the short-term maturity of these instruments. The fair values of non-current financial instruments are not disclosed unless there are significant items at the end of the year and in the event the fair values are disclosed in the relevant notes. Disclosures of fair value are not made when the carrying amount is a reasonable approximation of fair value. The maximum exposure to credit risk is the fair value of the financial instruments at the balance sheet date.

**2.20 FOREIGN CURRENCY TRANSLATION**

**(1) Measurement currency**

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company ("the measurement currency"). The financial statements of the Company are presented in United States dollars which is the measurement currency of the Company.

**(2) Transactions and balances**

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to the income statement.

**2.21 RELATED PARTIES**

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. This includes parents, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefits plans, if any.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

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**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

**Critical accounting estimates, assumptions and judgements**

The company makes estimates, assumptions and judgments concerning the future. The results accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgments 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) Useful lives of Plant and Equipment**

The Company reviews the estimated useful lives of plant and equipment at each year end. Management determined that the estimated useful lives of plant and equipment were appropriate and there was no revision for the financial year.

**(ii) Income taxes**

The company has exposure to income taxes on its income and certain expenses. Significant judgement is involved in determining the company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary courses of business. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. The carrying amount of company's tax liabilities at 31 March 2017 was US\$228,479/- (2016: US\$266,202/-).

**(iii) Provision for unsettled trade receivables**

Allowance for bad and doubtful receivables of the company is based on the evaluation of collectibility and aging analysis of receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of customers. There was no allowance for doubtful receivables by the company for the years ended March 31, 2017 and 2016.

**(iv) Determination of functional currency**

In determining the functional currency, judgement is required to determine the currency that mainly influences investment in the country whose competitive forces and regulations mainly determines the price. The functional currency of the company is determined based on management's assessment of the economic environment in which the entity operates and entity's process of determining sales prices. During the financial period the company decided to have United States Dollar as its functional currency.

## KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED

(Incorporated in Singapore with its Registration Number 200809977K)

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

#### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

##### (v) Revenue recognition

The management has considered the detailed criteria for the recognition of revenue from the sale of goods as set out in FRS 18 and in particular whether the company has transferred to the buyer the significant risks and rewards of ownership of goods. Revenue excludes goods and service taxes, if any, and is arrived at after deducting of trade discounts. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, the management is satisfied that the significant risks and rewards have been transferred and the recognition of revenue in the current year is appropriate.

#### 4. INVESTMENT IN SUBSIDIARY - COMPANY

	2017	2016
	US\$	US\$
Unquoted equity investment, at cost	76,629	76,629
	<u>76,629</u>	<u>76,629</u>

The detail of the Subsidiary is as follows:-

Name of subsidiary	Principal activity	Country of incorporation	Cost of investments		Interest held	
			2017 US\$	2016 US\$	2017 %	2016 %
*Pinehills (Singapore) Pte Ltd	Investment holding	Singapore	76,629	76,629	100%	100%

\* The subsidiary was incorporated on 10 November 2011 and financial statements were audited by T. Ravi & Co., Certified Public Accountants of Singapore for the financial year ended 31 March 2017.

#### 5. INVESTMENT IN UNQUOTED SHARES - GROUP

	2017	2016
	US\$	US\$
Investment, at cost	803,205	-
Balance at the end of the year	<u>803,205</u>	<u>-</u>

The Group has invested in NH2 Limited is an active company incorporated on 25 July 2015 with the registered office located in city London.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

<u>Allowance for impairment in value</u>	2017 US\$	2016 US\$
Balance at beginning	-	-
Allowance made during the financial year	-	-
Reversal of allowance	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>

**6. PLANT AND EQUIPMENT - GROUP & COMPANY**

	<u>Balance on</u> <u>01/4/2016</u> US\$	<u>Additions</u> US\$	<u>Disposals</u> US\$	<u>Balance on</u> <u>31/03/2017</u> US\$
<b><u>Cost</u></b>				
Furniture and fittings	61,707	-	-	61,707
Office equipment	19,094	-	-	19,094
Computers	25,843	5,166	-	31,009
	<u>106,644</u>	<u>5,166</u>	<u>-</u>	<u>111,810</u>
<b><u>Accumulated depreciation</u></b>				
Furniture and fittings	41,616	9,454	-	51,070
Office equipment	17,073	2,021	-	19,094
Computers	17,781	6,022	-	23,803
	<u>76,470</u>	<u>17,497</u>	<u>-</u>	<u>93,967</u>
<b>Depreciation Charge for</b>				
	2016 US\$	Net Book Value		
		2016 US\$	2017 US\$	
Furniture and fittings	9,454	20,091	10,637	
Office equipment	4,016	2,021	-	
Computers	4,356	8,062	7,206	
	<u>17,826</u>	<u>30,174</u>	<u>17,843</u>	

**7. TRADE RECEIVABLES - GROUP & COMPANY**

	2017 US\$	2016 US\$
Trade receivables - outsiders	43,337,518	34,172,414
Trade advances	3,448,169	7,888,747
	<u>46,785,687</u>	<u>42,061,161</u>
	2017 US\$	2016 US\$
Not past due and not impaired	46,785,687	39,940,247
Past due and not impaired	-	2,120,914
	<u>46,785,687</u>	<u>42,061,161</u>

*The accompanying notes form an integral part of these financial statements.*  
*Auditors' Report - Page 4-6.*

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

Credit terms of the trade receivables are at sight to 180 days on bank LC/DA terms and/or cash against documents. Trade receivables are denominated in United States Dollars. The current receivables with a short duration are not discounted for present value and the carrying values are assumed to approximate the fair value.

No interest is charged on the outstanding balances. Trade receivables are provided for based on estimated irrecoverable amounts from sale of goods, determined by reference to past default experience.

Included in the group and company's trade receivable balance are debtors with carrying amounts of Nil/- (2016: US\$2,120,914/-) which are past due at the end of the reporting period for which the group and company has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable.

The average age of these receivables are as follows:

	2017 US\$	2016 US\$
Less than 3 months	-	-
Greater than 3 months	-	2,120,914
	<u>-</u>	<u>2,120,914</u>

The management believes that trade receivables that are neither due nor past impaired are with creditworthy counter parties.

**8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Group & Company 2017 US\$	Group & Company 2016 US\$
Deposits	31,281	31,349
Other receivables	60,969	16,756
	<u>92,250</u>	<u>48,105</u>

Deposits and other receivables are denominated in the following currencies:

	Group & Company 2017 US\$	Group & Company 2016 US\$
Singapore dollars	59,958	34,093
United States dollars	32,292	14,012
	<u>92,250</u>	<u>48,105</u>

*The accompanying notes form an integral part of these financial statements.*

*Auditors' Report – Page 4-6.*



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

**9. CASH AND BANK BALANCES**

The cash and bank balances of the group as at the balance sheet date are

	Group 2017 US\$	Group 2016 US\$
Cash in hand	1	1
Cash at banks	443,471	987,901
Fixed deposits – under lien	7,624,506	6,758,581
	<u>8,067,978</u>	<u>7,746,483</u>

The effective interest rates on fixed deposits are about 0.22% to 1.70% p.a. (2016: 0.12% to 1.7% p.a). The fixed deposits amounting to US\$7,624,506/- (2016: US\$6,758,581/-) pledged as security against facility provided by the banks.

The cash and bank balances as at the balance sheet date are denominated in the following currencies:

	Group 2017 US\$	Group 2016 US\$
Singapore dollars	772,494	771,909
United States dollars	7,292,239	6,973,927
Euro	3,245	647
	<u>8,067,978</u>	<u>7,746,483</u>

The cash and bank balances of the company as at the balance sheet date are

	Company 2017 US\$	Company 2016 US\$
Cash at banks	436,381	982,856
Fixed deposits – under lien	7,624,506	6,758,581
	<u>8,060,887</u>	<u>7,741,437</u>

The effective interest rates on fixed deposits are about 0.22% to 1.70% p.a. (2016: 0.12% to 1.70% p.a). The fixed deposits amounting to US\$7,624,506/- (2016: US\$6,758,581/-) pledged as security against facility provided by the banks.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

The cash and bank balances as at the balance sheet date are denominated in the following currencies:

	Company 2017 US\$	Company 2016 US\$
Singapore dollars	765,403	766,864
United States dollars	7,292,239	6,973,927
Euro	3,245	646
	<u>8,060,887</u>	<u>7,741,437</u>

**10. TRADE PAYABLES**

Credit terms of the trade payables are at sight to 180 days on bank LC/DA terms. The carrying amounts are assumed to be a reasonable approximation of fair values. No interest is charged on the outstanding balances.

Trade payables as at the balance sheet are denominated in United States dollars.

**11. AMOUNT OWING TO SUBSIDIARY COMPANY**

The amount owing to subsidiary company is unsecured and repayable on demand.

The carrying amounts are assumed to be a reasonable approximation of fair values.

**12. OTHER PAYABLES AND ACCRUALS**

	Group 2017 US\$	Group 2016 US\$
Accruals	184,285	187,369
	<u>184,285</u>	<u>187,369</u>

Other creditors and accruals as at the balance sheet are denominated in the following currencies:

	Group 2017 US\$	Group 2016 US\$
Singapore dollars	51,192	8,572
United States dollars	133,093	178,797
	<u>184,285</u>	<u>187,369</u>

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

	Company 2017 US\$	Company 2016 US\$
Accruals	133,093	181,448
Other payables	44,875	
	<u>177,968</u>	<u>181,448</u>

Other creditors and accruals as at the balance sheet are denominated in the following currencies:

	Company 2017 US\$	Company 2016 US\$
Singapore dollars	2,598	2,651
United States dollars	175,370	178,797
	<u>177,968</u>	<u>181,448</u>

**13. BANK BORROWINGS, secured – GROUP and COMPANY**

	2017 US\$	2016 US\$
Short- term		
- Bills Payable	16,182,778	11,164,680
- Trust Receipt	18,163,067	17,831,490
	<u>34,345,845</u>	<u>28,996,170</u>

The facilities are secured by way of:-

- (i) Lien on trade receivables financed by the respective banks and fixed deposits; and
- (ii) a deed of debenture by way of fixed and floating charge of on the assets financed by the bank.

The interest for revolving credit facility is charged at LIBOR plus certain agreed percentage mutually agreed which varied from 1.5% to 5% calculated on daily balance with monthly rests.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

**14. TAX - GROUP**

(a) Tax expense/(credit)

	2017	2016
	US\$	US\$
Current taxation - current year	265,736	239,231
Under/ (over) provision in prior years	-	-
	<u>265,736</u>	<u>239,231</u>

The income tax on profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due explained in the numerical reconciliation between the accounting profit and tax expense.

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2017	2016
	US\$	US\$
Accounting profit	<u>1,627,368</u>	<u>1,788,798</u>
Tax calculated at corporate tax rate of 17%	276,653	304,096
Tax effect on expenses that are not deductible for tax purposes	4,496	3,030
Tax effect on capital allowance	(3,513)	(10,765)
Tax exemption	(18,741)	(18,805)
CIT Rebate	(7,230)	(14,507)
Other	14,071	(23,818)
	<u>265,736</u>	<u>239,231</u>

(b) Movement in current income tax liability

	2017	2016
	US\$	US\$
Balance at beginning of financial year	266,202	270,892
Tax expense on profit for current financial year	265,736	239,231
Tax -net paid during the financial year	(303,459)	(243,921)
Balance at end of financial year	<u>228,479</u>	<u>266,202</u>

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

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**TAX - COMPANY**

(a) Tax expense/(credit)

	2017 US\$	2016 US\$
Current taxation - current year	249,919	239,231
Under/ (over) provision in prior years	-	-
	<u>249,919</u>	<u>239,231</u>

The income tax on profit before tax differs from the amount that would arise using the Singapore standard rate of income tax due explained in the numerical reconciliation between the accounting profit and tax expense.

The numerical reconciliation between the accounting profit and tax expense is as follows:-

	2017 US\$	2016 US\$
Accounting profit	1,542,450	1,792,347
Tax calculated at corporate tax rate of 17%	262,217	304,699
Tax effect on expenses that are not deductible for tax purposes	4,496	3,030
Tax effect on capital allowance	(3,513)	(10,765)
Tax exemption	(18,741)	(18,805)
CIT Rebate	(7,230)	(14,507)
Other	12,690	(24,421)
	<u>249,919</u>	<u>239,231</u>

(b) Movement in current income tax liability

	2017 US\$	2016 US\$
Balance at beginning of financial year	266,202	270,892
Tax expense on profit for current financial year	249,919	239,231
Tax -net paid during the financial year	(287,642)	(243,921)
Balance at end of financial year	<u>228,479</u>	<u>266,202</u>



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

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**15. SHARE CAPITAL**

Issued and paid-up ordinary share capital

	2017	2016
	US\$	US\$
10,000,020 (2016: 10,000,020) ordinary shares	<u>7,614,662</u>	<u>7,614,662</u>
Balance at end of financial year	<u>7,614,662</u>	<u>7,614,662</u>

The share capital of the company is composed of 10,000,020 shares for S\$10,000,020. For presentation purposes, Singapore dollar at historical prices has been converted into United States dollar and reported accordingly. The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction. The ordinary shares carry no right to fixed income. The company is not subject to any externally imposed capital requirements.

**Capital Management**

The objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing products and services commensurately with the level of risk taken. There were no changes in the approach to capital management during the year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debts.

**16. REVENUE**

Revenue represents sales made net of trade discount and goods and service tax.

**17. DIRECT COSTS - COST OF SALES**

	Group	Group
	2017	2016
	US\$	US\$
Outsiders		
- Purchases from outsiders	151,615,871	161,585,005
- Bank charges and interests	583,580	507,603
- Commission	22,160	271,646
- Freight ,Demurrage, Despatch	334,298	1,573,983
- Insurance	35,917	25,875
	<u>152,591,826</u>	<u>163,964,112</u>

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

	Company 2017 US\$	Company 2016 US\$
Outsiders		
- Purchases from outsiders	151,615,871	161,585,005
- Bank charges and interests	582,601	507,015
- Commission	22,160	271,646
- Freight ,Demurrage, Despatch	334,298	1,573,983
- Insurance	35,917	25,875
	<u>152,590,847</u>	<u>163,963,524</u>

**18. OTHER INCOME**

	Group 2017 US\$	Group 2016 US\$
Interest from bankers	62,773	56,424
Foreign currency difference	2,363	30,647
	<u>65,136</u>	<u>87,071</u>

	Company 2017 US\$	Company 2016 US\$
Interest from bankers	62,773	56,424
Foreign currency difference	2,275	30,647
	<u>65,048</u>	<u>87,071</u>

**19. STAFF COSTS**

	Group & Company 2017 US\$	Group & Company 2016 US\$
Director's remuneration	251,023	237,856
Salary, bonus and CPF etc.	186,609	175,588
Medical expense	13,019	1,831
	<u>450,651</u>	<u>415,275</u>

**20. COMMITMENTS**

**Operating Commitment**

The company also leases office premises under cancellable operating lease agreement. The company is required to give three months' notice for renewal of the contract. The lease expenditure **US\$89,010/-** (2016: US\$87,323/-) charged to profit and loss statement during the financial year.

*The accompanying notes form an integral part of these financial statements.*

*Auditors' Report – Page 4-6.*

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

The future aggregate minimum lease payable under non-cancellable operating leases contracted at the balance sheet date but not recognized as liabilities, are as follows:-

	2017 US\$	2016 US\$
Not later than one year	79,514	68,220
Between two to five years	7,492	106,120
	<u>87,006</u>	<u>174,340</u>

**Capital Commitment**

The Group has entered in to purchase agreement of a property in London. In connection the company paid 20 per cent of the property value, remaining value of the property to be paid as capital commitment of the group.

	2017 US\$	2016 US\$
Not later than one year	-	736,023
Between two to five years	-	-
	<u>-</u>	<u>736,023</u>

**21. PROFIT BEFORE TAXATION**

	Company 2017 US\$	Company 2016 US\$
This is determined after charging :-		
Bank charges and interest	1,905,514	1,656,200
Directors' remuneration	251,023	237,856
Depreciation	17,497	17,826
Net foreign exchange difference	(2,275)	(30,647)
Rental expense - Operating lease	89,010	87,323
Staff costs (including director remuneration)	450,651	415,275
Interest income	<u>(62,773)</u>	<u>(56,424)</u>

**22. BANK FACILITIES, secured**

The bank facilities are secured by way of deed of debenture and floating charges on receivables financed by the bankers, both present and future of the company

	2017 US\$	2016 US\$
LC facilities	42,250,000	34,650,000
	<u>42,250,000</u>	<u>34,650,000</u>

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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The facilities are secured by way of:-

- (i) Lien on trade receivables financed by the respective banks and fixed deposits; and
- (ii) a deed of debenture by way of fixed and floating charge of on the assets financed by the bank.

The interest for revolving credit facility is charged at LIBOR plus certain agreed percentage mutually agreed which varied from 1.5% to 5% calculated on daily balance with monthly rests.

**23. CONTINGENT LIABILITY, unsecured**

As at 31 March, 2017, out of the facilities utilised with the banks, contingent liabilities related to discounted foreign usance bills under bills for collection and the company's liability on letter of guarantee opened by the bank on behalf of the company amounting to US\$1,040,843/- (2016:US\$3,997,521/-).

**FINANCIAL RISK MANAGEMENT**

The main risks arising from the company's financial instruments are credit risk and price risk, primarily interest rate risk and market risk. The management has not established any written risk management policies and guidelines. However, as a minimum requirement, the management monitors and controls its main risks in the following manner:-

**Credit Risk**

Financial instruments contain an element of risk in that the counterparties may be unable to meet their obligations. Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation. The company exposure to credit risk arises primarily from trade and other receivables. For other financial (including cash and cash equivalents), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

*Exposure to credit risk*

At the balance sheet date, the company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2017

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*Credit risk concentration profile*

The credit risk concentration profile of the company's trade receivables as the company has large number of customers to deal with and there is no concentration of geographical presence.

**Financial Credit Risk**

The company has placed its surplus funds in a reputed financial institution to mitigate potential concentrations of credit risk in relation to its bank balances

**Market Risk**

The company is exposed to changes in commodity prices. The company does not use derivative financial instruments to hedge underlying commodity price risk. However, this risk is mitigated as the company signed the counter party agreement with their customers for such commodity price risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates. The company's exposure to movement in market interest rates is minimised as the company has a policy to maintain cash equivalents and borrowings in fixed rate instruments. The company sometime borrows at variable rates and uses interest rates, which have the economic effect as the company agrees with other parties on specified rates, which fixed on banker's lending rate together with variable components. As at the balance sheet date, the company has no material interest bearing assets or liabilities except bank overdraft and trust receipts with a fixed and floating rate of interest.

Interest bearing liabilities:

	2017	2016
	US\$	US\$
Cash and bank balances	8,060,887	7,741,437
Bank borrowings	<u>(34,345,845)</u>	<u>(28,996,170)</u>
Total interest bearing liabilities	<u>(26,284,958)</u>	<u>(21,254,733)</u>

If interest rates had been 100 (2016: 100) basis points higher or lower and all other variables were held constant, the company's profit for the year ended 31 March 2017 would decrease/increase by US\$262,850/- (2016: decrease/increase by US\$212,547/-) with corresponding effect on the equity. This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings.



**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2017

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**Foreign Currency Risk**

The company is exposed to foreign currency risk arising from future commercial transactions, recognised assets and liabilities, primarily with respect to Singapore Dollar. The company monitors the foreign currency exchange rate movements closely to ensure that their exposures are minimised by closely monitoring the timing of the inception and settlement of the transactions.

The company's currency exposure to Singapore Dollars is follows:-

	2015	2016
	US\$	US\$
Other receivables and deposits	28,676	34,093
Cash and bank balances	765,403	771,909
Other payables	(2,598)	(2,651)
	<u>791,481</u>	<u>802,351</u>

Based on the balances as at 31 March 2017, if the Singapore Dollar had strengthened/weakened by 10% against the United States Dollar with all other variables including tax rate being held constant, the company's profit after tax for the financial period would have been US\$79,148/- (2016: US\$80,235/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

The company's currency exposure to Euro is follows:-

	2015	2016
	US\$	US\$
Cash and bank balances	<u>3,245</u>	<u>646</u>
	<u>3,245</u>	<u>646</u>

Based on the balances as at 31 March 2017, if the Euro had strengthened/weakened by 10% against the United States Dollar with all other variables including tax rate being held constant, the company's profit after tax for the financial period would have been US\$325/- (2016: US\$65/-) lower/higher as a result of currency translation gains/losses on the remaining United States Dollars denominated financial instruments.

**Liquidity Risk**

Liquidity risk is the risk that the company will encounter difficulty in meeting financial obligations due to shortage of funds.

The company manages liquidity risk by maintaining sufficient cash to meet normal operating commitments and/or will able to get financial support from its banking and from the holding company.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2017*

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All trade and other payable are due within one year.

**24. CAPITAL MANAGEMENT**

The company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings and trade and other payables, and amount owing to related parties and amount owing to shareholders excluding provision for taxation and deferred tax liability as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as equity, as shown in the balance sheet, plus net debts.

	Company 2017 US\$	Company 2016 US\$
Total loans and borrowing	37,891,317	34,070,335
Less: cash and cash equivalents	<u>(8,060,887)</u>	<u>(7,741,437)</u>
Net debt	29,830,430	26,328,898
Equity attributable to the equity holders of the company	16,913,500	15,620,969
Capital and net debt	<u>46,743,930</u>	<u>41,949,867</u>
Gearing ratio	<u>0.64</u>	<u>0.63</u>

**25. FINANCIAL INSTRUMENTS**

The fair value of financial assets and liabilities is the amount at which instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transactions, other than in a forced or liquidation sale.

The management has determined that the carrying amounts of short-term deposits, current trade receivables, amounts due by related party, current trade and other payables, amount due to directors and related party and hire purchase creditors, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature or are reprised frequently within a year.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
(Incorporated in Singapore with its Registration Number 200809977K)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2017

**26. NET FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The financial assets and financial liabilities of the Company consist of its current assets, current liabilities and non-current receivable. The fair values of the Company's financial assets and financial liabilities at the balance sheet date approximate their book values as shown in the balance sheet.

The carrying amounts of financial instruments in each of the following categories are as follows:-

**Financial Assets**

	Company 2017 US\$	Company 2016 US\$
Trade receivables	46,785,687	42,061,161
Other receivables, deposits and prepayments	92,250	48,105
Cash and bank balances	8,060,887	7,741,437
	<u>54,938,824</u>	<u>49,850,703</u>

**Financial liabilities through amortised cost**

	Company 2017 US\$	Company 2016 US\$
Trade payables	2,695,711	3,662,939
Amount owing to subsidiary company	671,793	1,229,778
Bank borrowings, secured	34,345,845	28,996,170
	<u>37,713,349</u>	<u>33,888,887</u>

**27. HOLDING COMPANY**

The company's holding company is KOTHARI PRODUCTS LIMITED., a company incorporated in India (Registration no. T08UF2112B), which owns 99.99% of the issued share capital of the company.

**28. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS**

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 01 April 2017. The company does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED**  
*(Incorporated in Singapore with its Registration Number 200809977K)*

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 March 2017*

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**29. AUTHORISATION OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED on 29 June 2017.

The annexed detailed statement of comprehensive income does not form part of the audited statutory financial statements. It is not necessary to file the detailed statement of comprehensive income with the Accounting and Corporate Regulatory Authority.

**KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED***(Incorporated in Singapore with its Registration Number 200809977K)***DETAILED STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 March 2017*

	2017	2016
	US\$	US\$
Sales and other revenue	156,013,247	167,420,139
Less: Cost of Goods Sold		
Purchases	151,615,871	161,585,005
Bank charges	582,601	507,015
Commission	22,160	271,646
Freight demurrage & dispatch	334,298	1,566,709
Insurance	35,917	25,875
Warehouse charges	-	7,274
	<u>152,590,847</u>	<u>163,963,524</u>
<b>Gross Profit</b>	<b>3,422,400</b>	<b>3,456,615</b>
Interest	62,773	56,424
Exchange Gain	2,275	30,647
	<u>65,048</u>	<u>87,071</u>
<b>Less: Operating Expenses</b>		
Advertisement	187	892
Audit Fee	22,000	20,000
CPF and SDL contribution	19,335	17,058
Conveyance	3,638	3,889
Computer Maintenance	2,086	265
Depreciation	17,497	17,826
Director fees	2,583	2,667
Entertainment expenses	1,208	1,384
Gifts	309	4,225
General expenses	14	289
Insurance	741	5,534
Interest	1,322,913	1,149,185
Legal fees	2,639	8,464
Medical expenses	13,019	1,831
Office expenses	7,053	4,901
Postage & Courier	-	1,640
Printing and Stationary	626	1,278
Repair and maintenance	45	361
Rent	89,010	87,323
Salary including director remuneration	418,297	396,386
Subscription	2,199	899
Telecommunication	11,884	10,517
Travelling expense	6,553	12,974
Utilities	1,162	1,551
	<u>1,944,998</u>	<u>1,751,339</u>
Net Profit for the year	1,542,450	1,792,347
Income tax	(249,919)	(239,231)
	<u>1,292,531</u>	<u>1,553,116</u>
Accumulated profit b/f	8,006,307	6,453,191
Accumulated profit c/f	<u>9,298,838</u>	<u>8,006,307</u>

*The above statement does not form part of audited financial statements.*