ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

FINANCIAL STATEMENTS

for the financial year ended

31 MARCH 2017

CONTENTS

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Elecon Singapore Pte Ltd (the "Company") for the financial year ended 31 March 2017.

In the opinion of the directors,

a) the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; 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 in office at the date of this statement are as follows:

Prayasvin Bhanubhai Patel
Taruna Prayasvin Patel
Shah Vipulkumar Bhagvandas

Arrangements to enable directors to acquire shares or 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.

Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

Name of director	Shareholdings registered in the name of directors as at 01/04/2016	31/03/2017
	Ordinary shares	
Prayasvin Bhanubhai Patel	10	10

Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

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

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

Independent auditor

The independent auditor, Smalley & Sims PAC, has expressed its willingness to accept re-appointment.

On behalf of the board of directors

Taruna Prayasvin Patel

Shah Vipulkumar Bhagvandas

Singapore, 9 May 2017

史莫里沈氏會計有限公司
Smalley & Sims PAC
CHARTERED ACCOUNTANTS (SINGAPORE)
Company Reg. No. 201203975N
Incorporated with Limited Liability

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELECON SINGAPORE PTE LTD

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We have engaged the financial statements of ELECON SINGAPORE PTE LTD (the "Company"), which comprise the balance sheet of the Company as at 31 March 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

FRS No. 21 – The Effects of Changes in Foreign Exchange Rates requires an entity to determine its functional currency and measure its results and financial position in that currency. The functional currency is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. As disclosed in Note 2.14 (a) to the financial statements, management determined that the functional currency of the Company is United States dollar. However, the accompanying financial statements have been prepared on the basis that Singapore dollar is the functional currency, which is not in accordance with FRS No. 21. In the absence of relevant information to quantify the adjustments required as a result of such non-compliance, the management is unable to determine the effects of adjustments and/or the extent of disclosure, if any, that were required to be made to the financial statements.

In our auditor's report for financial year ended 31 March 2016, we expressed a disclaimer of opinion on the same matter above.

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.

GST Reg. No. 201203975N
1 Coleman Street, #06-10 The Adelphi, Singapore 179803 Tel: (65) 6336 3288 Fax: (65) 6336 3078
In association with: Wee Seng Tiong Corporate Services Pte Ltd

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

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.

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.

Smalley & Sims PAC
Public Accountants and
Chartered Accountants

Singapore, 9 May 2017
FL/CHF/LL

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 S$	2016 S$
ASSETS			
Current assets			
Inventories	5	20,286	13,203
Trade and other receivables	6	1,083,073	853,934
Cash and cash equivalents	7	1,029,988	727,008
		2,133,347	1,594,145
Non-current assets			
Plant and equipment	8	19,521	16,774
Deferred tax assets	9	-	22,524
		19,521	39,298
Total assets		2,152,868	1,633,443
LIABILITIES			
Current liabilities			
Trade and other payables	10	943,991	437,561
Income tax payable		1,764	-
		945,755	437,561
Non-current liabilities			
Deferred tax liabilities	9	3,319	-
		3,319	-
Total liabilities		949,074	437,561
NET ASSETS		1,203,794	1,195,882
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	897,854	897,854
Retained earnings		305,940	298,028
TOTAL EQUITY		1,203,794	1,195,882

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

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

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

	Note	2017 S$	2016 S$
Revenue	12	2,752,786	2,172,626
Cost of sales		(1,848,709)	(1,306,498)
Gross profit		904,077	866,128
Other income	13	1,113	1,698
Selling and distribution expenses		(6,342)	(41,888)
Administrative expenses		(866,133)	(787,321)
PROFIT BEFORE TAX		32,715	38,617
Income tax expense	16	(24,803)	(9,125)
NET PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,912	29,492

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

ELECON SINGAPORE PTE LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Share capital S$	Retained earnings/ (Accumulated losses) S$	Total S$
Balance at 1 April 2015	897,854	268,536	1,166,390
Total comprehensive income for the year	-	29,492	29,492
Balance at 31 March 2016	897,854	298,028	1,195,882
Total comprehensive income for the year	-	7,912	7,912
Balance at 31 March 2017	897,854	305,940	1,203,794

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

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

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

	Note	2017 S$	2016 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		32,715	38,617
Adjustments for:			
Interest income	13	(453)	(150)
Depreciation of plant and equipment	14	7,356	7,398
Operating cash flows before working capital changes		39,618	45,865
Changes in working capital:			
Inventories		(7,083)	(8,448)
Trade and other receivables		(229,139)	510,241
Trade and other payables		506,430	(503,785)
Cash generated from operation		309,826	43,873
Income tax refund/(paid)		2,804	(13,716)
Net cash generated from operating activities		312,630	30,157
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	8	(10,103)	(12,399)
Net cash used in investing activities		(10,103)	(12,399)
CASH FLOWS FROM FINANCING ACTIVITIES			
Placement of fixed deposit		(453)	(150)
Repayment from related company		-	24,662
Interest received		453	150
Repayment from immediate and ultimate holding company		-	42,671
Net cash generated from financing activities		-	67,333
Net increase in cash and cash equivalents		302,527	85,091
Cash and cash equivalents at beginning of financial year		576,556	491,465
Cash and cash equivalents at end of financial year	7	879,083	576,556

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

NOTES TO THE FINANCIAL STATEMENTS

1 General

The financial statements of the Company for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is registered and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 10 Anson Road #24-03, International Plaza, Singapore 079903.

The principal activities of the Company are those of consulting engineers and commission agents and dealers in plant and machinery, reduction gears, geared motors and spares.

2 Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related interpretations and the provisions of the Singapore Companies Act. The financial statements have been prepared 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 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Company adopted the new or amended FRS and Interpretations to 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 Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Plant and Equipment

a) Measurement

(i) Plant and equipment

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

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

b) Depreciation

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

	Useful lives
Furniture and fittings	5 years
Computers	5 years
Office equipment	5 years
Motor vehicles	5 years

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

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

c) Subsequent expenditure

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

d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.3 Impairment of Non-Financial Assets

-Plant and equipment

Plant and equipment 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 flows that are largely independent of those from other assets. If this is the case, the 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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of 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 profit or loss.

2.4 Financial Assets

a) Classification

The Company classifies its financial assets as loans and receivables. 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.

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 realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

b) Recognition and derecognition

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

Financial assets are derecognised 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 recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

d) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

e) Impairment

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

Loans and receivables

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 recognised 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 amortised cost had no impairment been recognised in prior periods.

2.5 Financial Liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

b) Subsequent measurement

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

c) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.6 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the specific identification method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value.

2.8 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 recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.9 Fair Value Estimation of Financial Assets and Liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.10 Operating Leases

The Company leases its office premises from non-related parties.

Leases of office premises 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 recognised in profit or loss on a straight-line basis over the period of the lease term.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.11 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivables for the sale of goods and rendering of services in the ordinary course of the Company's activities. Revenue is presented, net of goods and service tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measures, it is probable that future economic benefits will flow to the Company and when the specific criteria for each of the Company's activities are met as follows:

Sale of goods – revenue from sales of goods is recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

Sales commissions and service income – revenue is recognised in the period in which the services are rendered.

Interest income – interest income is recognised on a time-proportion basis using the effective interest method.

2.12 Income Tax

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised on temporary differences, except where the company is above to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss for the year.

2.13 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an expense.

(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) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

2.14 Currency Translation

(a) Functional and presentation currency

Functional currency is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. Management determined that the functional currency of the Company is United States dollar. However, the accompanying financial statements have been prepared on the basis that Singapore dollar is the functional currency, which is not in accordance with FRS No. 21 – The Effects of Changes in Foreign Exchange Rates. Management is unable to determine the effects of adjustments and/or the extent of disclosure, if any, that were required to be made to the financial statements.

The financial statements of the Company are presented in Singapore dollars.

(b) Transactions and balances

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at the transaction dates. Exchange differences arising on the retranslation or settlement of monetary items are recognised in profit or loss in the period in which they arise.

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.

2.15 Government Grants

Grants from the government are recognised 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 recognised 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 assets.

2.16 Related Parties

A related party is defined as follows:

(i) A person is a close member of that person's family is related to the Group and Company if that person:

(a) has control or joint control over the Company

(b) has significant influence over the Company; or

(c) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(ii) An entity is related to the Company if any of the following conditions applies:

(a) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the group of which the other entity is a member).

(c) both entities are joint ventures of the same third party.

(d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.

(f) the entity is controlled or jointly controlled by a person identified in (i).

(g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.17 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future years.

Critical judgements in applying the entity's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Company does not have any key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Holding Company and Related Companies Transactions

The company is a 100% owned subsidiary of Elecon Engineering Co Ltd, a company incorporated in India which is also the Company's immediate and ultimate holding company. Related companies in these financial statements refer to members of Elecon Engineering Co Ltd's Group of companies.

Some of the Company's transactions and arrangements and terms thereof are arranged by or between members of the group and the effect of these on the basis determined between the parties are reflected in the financial statements.

Significant intercompany transactions:

	2017 $	2016 $
Holding company		
Sales commission income	109,703	296,141
Service charge income	78,632	-
Purchases	1,554,055	900,436
Related companies		
Sales commission income	3,249	17,646
Service charge income	-	-
Commission expense	-	24,871
Purchases	279,088	407,783

5 Inventories

	2017 S$	2016 S$
Stock on hand	20,286	13,203

The cost of inventories recognised as expenses and included in "cost of sales" amounts to S$1,840,987 (2016: S$1,306,497).

6 Trade and Other Receivables

	2017 S$	2016 S$
Trade receivables		
Immediate and ultimate holding company	185,981	246,418
Related companies	9,543	264,609
Third parties	883,740	336,807
	1,079,264	847,834
Less: Allowance for doubtful debt		
Balance at beginning of the year	-	-
Allowance for the year (Note 14)	(18,432)	-
Balance at end of the year	(18,432)	-
Other receivables		
Deposits	5,900	6,100
Advanced to director	3,000	-
Advance payment to supplier	13,341	-
	1,083,073	853,934

The trade receivables are non-interest bearing and are generally on 30 to 60 days' term. They are recognised on their original invoice amounts which represents their fair values on initial recognition.

The age analysis of trade receivables before allowance for impairment is as follows:

	2017 S$	2016 S$
Not past due or less than 30 days	339,212	300,105
Past due by:		
- 30 to 90 days	27,382	126,116
- more than 90 days	694,238	421,613
	1,060,832	847,834

Based on historical collections experience, the Company believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

Amount due from immediate and ultimate holding company and related companies under other receivables are non-trade in nature, unsecured, interest-free and repayable on demand.

Advance to director is for business purpose and was fully settled after balance sheet date.

The Company has not identified any significant concentration of credit risk as the third parties trade receivables represent a wide spread of customers.

Trade and other receivables are denominated in the following currencies:

	2017	2016
	S$	S$
Singapore dollar	8,900	9,977
United States dollar	1,006,743	706,147
Euro	67,430	137,810
	1,083,073	853,934

7 Cash and Cash Equivalents

	2017	2016
	S$	S$
Cash and bank balances	879,083	576,556
Fixed deposit	150,905	150,452
	1,029,988	727,008
Fixed deposit – maturity more than 3 months	(150,905)	(150,452)
Cash and cash equivalent as per Statement of Cash Flows	879,083	576,556

The cash and cash equivalents is denominated in Singapore dollar.

Fixed deposit at the balance sheet date has a maturity of more than 3 months (2016: more than 3 months) from the financial year end. The deposit earns interest at a weighted average effective interest rate of 0.2% (2016: 0.2%) per annum.

8 Plant and Equipment

As at 31 March 2017

	Office equipment S$	Furniture and fittings S$	Computers S$	Vehicle S$	Total S$
Cost					
Beginning of financial year	7,759	24,702	44,890	19,063	96,414
Additions	2,287	5,619	2,197	-	10,103
End of financial year	10,046	30,321	47,087	19,063	106,517
Accumulated depreciation					
Beginning of financial year	5,075	24,702	34,449	15,414	79,640
Depreciation charge	1,061	529	3,387	2,379	7,356
End of financial year	6,136	25,231	37,836	17,793	86,996
Net book value					
End of financial year	3,910	5,090	9,251	1,270	19,521

As at 31 March 2016

	Office equipment S$	Furniture and fittings S$	Computers S$	Vehicle S$	Total S$
Cost					
Beginning of financial year	5,859	24,702	36,250	17,204	84,015
Additions	1,900	-	8,640	1,859	12,399
End of financial year	7,759	24,702	44,890	19,063	96,414
Accumulated depreciation					
Beginning of financial year	4,608	24,702	31,175	11,757	72,242
Depreciation charge	467	-	3,274	3,657	7,398
End of financial year	5,075	24,702	34,449	15,414	79,640
Net book value					
End of financial year	2,684	-	10,441	3,649	16,774

The motor vehicle is held in trust for the Company in the name of one of its employees.

9 Deferred Tax (Liability) / Assets

	2017 S$	2016 S$
Beginning of financial year	22,524	27,700
Charged to profit or loss (Note 16)	(25,843)	(5,176)
End of financial year	(3,319)	22,524

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

Deferred tax liabilities arose mainly as a result of the excess of net book value over the tax written down value of allowance plant and equipment.

10 Trade and Other Payables

	2017 S$	2016 S$
Trade payables		
Immediate and ultimate holding company	594,313	263,034
Related companies	29,409	131,317
Third parties	44,031	34,445
GST payables	2,637	1,606
	670,390	430,402
Other payables		
Accrued expenses	12,992	7,159
Advance receipt from customers	260,609	-
	943,991	437,561

The trade payables principally comprise amount outstanding for trade purchases. They are non-interest bearing and normally settled on 30 to 90 days term. The Company has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Trade and other payables are denominated in the following currencies:

	2017 S$	2016 S$
Singapore dollar	32,420	42,552
United States dollar	911,021	394,350
Indian Rupee	550	659
	943,991	437,561

11 Share Capital

	2017 S$	2016 S$
Issued and fully paid, with no par value 897,854 (2016: 897,854) ordinary shares At beginning and end of financial year	897,854	897,854

12 Revenue

	2017 S$	2016 S$
Sale of goods	2,639,834	1,858,839
Sales commissions and service income (Note 4)	112,952	313,787
	2,752,786	2,172,626

13 Other Income

	2017 S$	2016 S$
Interest income	453	150
Temporary Employment Credit	660	-
Others	-	1,548
	1,113	1,698

14 Expenses by Nature

	2017 S$	2016 S$
Purchase of inventories	1,848,070	1,314,945
Changes in inventories	(7,083)	(8,447)
Service charges and commission	7,723	-
Bad debt expense	14,049	16,352
Commission	143,591	73,352
Depreciation of plant and equipment (Note 8)	7,356	7,398
Employee compensation (Note 15)	464,481	450,388
Exchange loss	7,374	36,655
Office upkeep	6,615	5,491
Rental expense	35,900	36,600
Sales promotion expenses	6,342	41,888
Telephone	20,651	18,424
Transport and travelling	110,841	124,252
Allowance for doubtful debts (Note 6)	18,432	-
Others	36,842	18,409
Total cost of sales, selling and distribution and administrative expenses	2,721,184	2,135,707

15 Employee Compensation

	2017 S$	2016 S$
Salaries and other short term benefits	452,241	439,678
Employer's contribution to defined contribution plans including Central Provident Fund	12,240	10,710
	464,481	450,388

Key management of the Company comprise of directors whose remuneration are included in the employee compensation above:

	2017 S$	2016 S$
Salaries and other short term benefits	153,004	155,428
Employee's contribution to defined contribution plans including Central Provident Fund	12,240	10,710
	165,244	166,138

16 Income Tax Expense

Income tax expense attributable to profit is made up of:

	2017	2016
	S$	S$
Current tax	1,764	-
(Over) / under provision of current income taxation in respect of prior years	(2,804)	3,950
	(1,040)	3,950
Deferred income tax (Note 9)	25,843	5,175
	24,803	9,125

The taxation for the year varies from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax due to the following factors:

	2017	2016
	S$	S$
Profit before tax	32,715	38,617
Tax calculated at statutory rate of 17% (2016: 17%)	5,562	6,565
Singapore statutory stepped income exemption and rebates	(2,890)	-
Tax effect of deferred tax assets	25,376	(1,390)
(Over) / under provision of current income taxation in respect of prior years	(2,804)	3,950
Tax incentives	(441)	-
Tax charge	24,803	9,125

As at the end of the financial year, the Company has tax loss carryforwards amounting to approximately S$nil (2016: S$149,000). The realisation of the future income tax benefits from the above is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

17 Operating Lease Commitments

The Company leases office premises from a non-related party under a non-cancellable operating lease agreement. The lease has varying terms and renewal rights.

The future minimum lease payments under non-cancellable operating lease contracted for at the balance sheet date but not recognised as liabilities, is as follows:

	2017	2016
	S$	S$
Not later than one year	35,400	15,250
Between one and five years	14,750	-
	50,150	15,250
Rental expenses paid during the financial year	35,900	36,600

The lease of the Company's office premises on which rental is payable will expire on 31 August 2018, and the current rate payable on the lease is S$2,950 per month.

18 Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks. Financial risk management is carried out in accordance with the Company's established policies and guidelines.

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company trades with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis.

The carrying amount of trade receivables, other receivables and deposits, and cash and cash equivalents, represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Company has a concentration of credit risk to certain related parties and corporate shareholders and the management manages this risk through ongoing monitoring of outstanding balances and ensures that payments are received within the credit period granted.

Cash is placed with creditworthy financial institutions.

ii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates in Asia and is exposed to various currencies primarily in United States dollars ("USD") and Euro. Currency risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company manages its foreign exchange risk by closely monitoring the timing of the inception and settlement of the foreign currency transactions.

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

As at 31 March 2017

	Euro	USD	Total
	S$	S$	S$
Financial assets			
Trade and other receivables	67,430	1,006,743	1,074,173
Financial liabilities			
Trade and other payables	-	911,021	911,021
Net currency exposure	67,430	95,722	163,152

As at 31 March 2016

	Euro	USD	Total
	S$	S$	S$
Financial assets			
Trade and other receivables	137,810	706,147	843,957
Financial liabilities			
Trade and other payables	-	394,350	394,350
Net currency exposure	137,810	311,797	449,607

The following analyses detail the sensitivity to a 5% increase and decrease in the Singapore dollar against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

As at 31 March 2017, if the USD strengthened/weakened by 5% (2016: 5%) against the SGD with all other variables including tax rate being held constant, the Company's profit/loss before tax will be approximately $4,700 higher/lower (2016: $15,000 lower/higher) as a result of currency translation gains/losses on the USD denominated financial instruments. There is no impact on other comprehensive income.

As at 31 March 2017, if the Euro strengthened/weakened by 5% (2016: 5%) against the SGD with all other variables including tax rate being held constant, the Company's profit/loss before tax will be approximately $3,300 higher/lower (2016: $6,900 higher/ lower) as a result of currency translation gains/losses on the Euro denominated financial instruments. There is no impact on other comprehensive income.

iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Company's exposure to changes in market interest rates relates primarily to borrowings. The Company monitors the interest rates on borrowings closely to ensure that borrowings are maintained at favourable rates.

As at balance sheet date, the Company has no significant interest rate risks as does not require external borrowings.

iv) Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company's current liabilities as at the balance sheet date represent the contractual undiscounted cash outflows. These balances are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

19 Fair Values of Financial Instruments

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

The carrying amounts of the assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements:

Classification of financial instruments

	Loans and receivables S$	Liabilities at amortised cost S$	Total carrying amount S$	Fair value S$
2017				
Assets				
Trade and other receivables	1,069,732	-	1,069,732	1,069,732
Cash and cash equivalents	1,029,988	-	1,029,988	1,029,988
	2,099,720	-	2,099,720	2,099,720
Liabilities				
Trade and other payables	-	680,745	680,745	680,745

	Loans and receivables S$	Liabilities at amortised cost S$	Total carrying amount S$	Fair value S$
2016				
Assets				
Trade and other receivables	853,934	-	853,934	853,934
Cash and cash equivalents	727,008	-	727,008	727,008
	1,580,942	-	1,580,942	1,580,942
Liabilities				
Trade and other payables	-	435,955	435,955	435,955

20 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The directors regularly review the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments.

There were no changes in the Company's approach to capital management during the financial year.

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

The gearing ratio is computed as total debt divided by total capital. Total debt is calculated as trade and other payables. Total capital is calculated as total debt plus total equity.

The gearing ratio of the Company for the financial years ended were as follows:

	2017 S$	2016 S$
Total debt	943,991	437,561
Total equity	1,203,794	1,195,882
Total capital	2,147,785	1,633,443
Gearing ratio	44%	27%

21 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 published 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.