CLIENT'S COPY

GRAVITA GLOBAL PTE. LTD.

(ACRA Registration No. 201204623C)

(Incorporated in The Republic of Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

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DIRECTORS' STATEMENT

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31st March 2018.

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

(a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto as set out on pages 5 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 31st March 2018 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended;

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

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

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

DIRECTORS

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

Vijendra Singh Tanwar
Nareshkumar Khushalbhai Gohel
Kalyanasundaram Maran

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
Immediate and Ultimate Holding Corporation (No. of ordinary shares)	At 31st March 2018	At 1st April 2017 or date of appointment if later	At 31st March 2018	At 1st April 2017 or date of appointment if later
Gravita India Ltd (Incorporated in India)	1,345,000	1,345,000	-	-
Directors who have interest in Gravita India Ltd.				
Vijendra Singh Tanwar	113,500	108,500	-	-
Nareshkumar Khushalbhai Gohel	-	-	-	-
Kalyanasundaram Maran	-	-	-	-

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

DIRECTORS' STATEMENT (CONT'D)

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

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

(b) The directors' interest in the ordinary shares of the Company as at 2 5 MAY 2018 were the same as those as at 31st March 2018.

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the Board

....
Vijendra Singh Tanwar
Director

N.K.Gohel
....
Nareshkumar Khushalbhai Gohel
Director

GRAVITA GLOBAL PTE. LTD. SINGAPORE

Singapore
Date: 2 5 MAY 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAVITA GLOBAL PTE. LTD.
(REGISTRATION NO. 201204623C)
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2018

Our Opinion

In our opinion, the accompanying financial statements of GRAVITA GLOBAL PTE. LTD. ("the Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31st MARCH 2018 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

What we have audited

The financial statements of the Company comprise:

- the statement of financial position as at 31st March 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our Audit Approach

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

Other Information

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

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

STAMFORD ASSOCIATES LLP
Chartered Accountants of Singapore
(UEN No: T07LL0683E)

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Responsibilities of Management and Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

  Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Sanjay Mohnot.

STAMFORD ASSOCIATES LLP
SINGAPORE
T07LL0683E
CA (Singapore)

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STAMFORD ASSOCIATES LLP
Public Accountants and
Chartered Accountants, Singapore

SINGAPORE.
Date: 25th May 2018

7500A Beach Road #08-313 The Plaza Singapore 199591
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STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2018

	Note	2018 US$	2017 US$
ASSETS			
Non-current assets			
Investment in Subsidiaries	5	1,441,402	1,441,102
Total Non - Current assets			
Current assets			
Trade and other receivables	6	551,400	845,527
Cash and cash equivalents	7	5,433	71,392
Total Current Assets		556,833	916,919
Total Assets		**1,998,235**	**2,358,021**
LIABILITIES			
Non - Current liabilities			
Deferred Tax Liability	9	-	-
Total Non - Current Liabilities		-	-
Current liabilities			
Trade and other payables	8	(277,461)	(638,144)
Provision for taxation	10	-	-
Total Current Liabilities		(277,461)	(638,144)
Total Liabilities		(277,461)	(638,144)
NET ASSETS		**1,720,774**	**1,719,877**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share Capital	4	1,345,000	1,345,000
Accumulated Profit		375,774	374,877
Total Equity		**1,720,774**	**1,719,877**

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

	Note	2018 US$	2017 US$
Sales	11	43,222	24,660
Cost of sales	12	(41,692)	(23,760)
Gross profit		1,530	900
Other income	13	19,048	15,893
		20,578	16,793
Less :			
Administrative and Other operating expenses		(19,681)	(20,993)
Profit/(Loss) from operations	14	897	(4,200)
Finance costs		-	-
Profit/(loss) Profit before tax		897	(4,200)
Income tax expense	10	-	-
Deferred Tax	9	-	-
Profit/(loss) from continuing operations		897	(4,200)
Profit / (loss) from discontinued operations		-	-
Total Profit/ (loss)		897	(4,200)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss		-	-
Other comprehensive income, net of tax		-	-
Total Comprehensive Income/(Loss)		**897**	**(4,200)**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

	→ Attributable to equity holders of the Company ←		
	Share Capital	**Accumulated Profit**	**Total Equity**
	US$	**US$**	**US$**
Balance as at 1st April 2016	1,345,000	379,210	1,724,210
Prior year adjustments		(133)	(133)
Total comprehensive (loss)	-	(4,200)	(4,200)
Balance as at 31st March 2017	1,345,000	374,877	1,719,877
Total comprehensive income	-	897	897
Balance as at 31st March 2018	**1,345,000**	**375,774**	**1,720,774**

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

	Note	2018 US$	2017 US$
Cash flows from operating activities			
Profit / (Loss) **before** tax		897	(4,200)
Adjustments for:			
Non-cash/non-operating items		-	-
Cash Flows Before Changes in Working Capital		897	(4,200)
Change in working capital:			
Trade and other receivables	6	294,127	(572,467)
Trade and other payables	8	(360,683)	631,042
Net Cash Used in Operations		(66,556)	58,575
Cash generated from operations		(65,659)	54,375
Income tax paid	10	-	(133)
Net cash generated from/ (used in) operating activities		(65,659)	54,242
Cash flows from investing activities			
Investment in Subsidiaries	5	(300)	(92)
Net cash (used in) investing activities		(300)	(92)
		(65,959)	54,150
Cash flows from financing activities		-	-
Net (decrease) / increase in cash and cash equivalents		(65,959)	54,150
Cash and cash equivalents at beginning of the financial year		71,392	17,242
Cash and cash equivalents at the financial year end	7	**5,433**	**71,392**

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

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

1. General information

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

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

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

2. Significant Accounting Policies

2.1 Basis of preparation

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

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

(a) Interpretations and amendments to published standards effective in 2017

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

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

2.2 Revenue recognition

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

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

(a) Sale of goods

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

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

(b) Interest income

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

2. Significant Accounting Policies (continued)

2.2 Revenue recognition (continued)

(c) Dividend income

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

2.3 Government grants

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

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

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

2.4 Financial assets

(a) Classification

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

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

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

Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realized within 12 months after the Statement of Financial Position date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realized later than 12 months after the statement of financial position date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 6) and "cash and cash equivalents" (Note 7) on the statement of financial position.

(iii) Held-to-maturity financial assets

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

(iv) Available-for-sale financial assets

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

2. **Significant Accounting Policies (continued)**

2.4 Financial assets

(b) Recognition & Derecognition

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

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

(c) Initial measurement

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

(d) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to-maturity financial assets are subsequently carried at amortized cost using the effective interest method. Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognized in profit or loss when the changes arise.

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

(e) Impairment

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

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

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

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

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

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.4 (e) (i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

2. Significant Accounting Policies (continued)

2.4 Financial assets (continued)

(e) Impairment

(ii) Available-for-sale financial assets (continued)

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

(f) Offsetting of financial instruments

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

2.5 Financial liabilities

Financial liabilities include trade payables, other amounts payable and interest-bearing loans. Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income and expenditures statement when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharges or cancelled or expired.

2.6 Financial guarantees

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

2.7 Provisions

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

2.8 Borrowings

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

(a) Borrowings

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

(b) Redeemable preference shares

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

2.9 Leases

(i) Lessee – Finance leases

Leases where the Company assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

2. Significant Accounting Policies (continued)

2.9 Leases (continued)

(i) Lessee – Finance leases (continued)

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

(ii) Lessee – Operating leases

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

2.10 Related Parties

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

2.11 Income taxes

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

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

(b) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

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

2. Significant Accounting Policies (continued)

2.12 Employee Compensation

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

(a) Defined contribution plans

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

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed at the earlier of the following dates: (a) when the Company is terminating the employment of current employees according to a detailed formal plan without possibility of withdrawing the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of FRS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.13 Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2.14 Cash and cash equivalents

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

2.15 Trade and other receivables

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

2.16 Trade and other payables

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

2. Significant Accounting Policies (continued)

2.17 Share capital

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

2.18 Subsidiaries

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

(i) Exemption from preparing consolidated financial statements

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

(ii) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the noncontrolling interest's proportionate share of the acquiree's net identifiable assets.

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

(iii) Disposals of subsidiaries or businesses

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

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

(vi) Associated companies

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

2. Significant Accounting Policies (continued)

2.18 Subsidiaries (continued)

(vi) Associated companies (continued)

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

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

3. Critical accounting estimates, assumptions and judgments

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

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

(a) Uncertain tax positions

Significant assumptions are required in determining the deductibility of certain expenses during the estimation of the computation of income tax expense. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired.
In determining this, management has made judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in. Where there is objective evidence of impairment, management has made judgments as to whether an impairment loss should be recorded as an expense. In determining this, management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(c) Impairment of investment in subsidiaries (Refer to Note 5)

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

4. Share capital

	Issued share capital	
As at 31st March 2018	No. of ordinary shares	Amount US$
Beginning of the financial year	1,345,000	1,345,000
Shares issued	-	-
End of the financial year	1,345,000	1,345,000
As at 31st March 2017		
Beginning of the financial year	1,345,000	1,345,000
Shares issued	-	-
End of the financial year	**1,345,000**	**1,345,000**

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

5. Investment in Subsidiaries

Unquoted Equity Investment – at cost	2018 US$	2017 US$
Balances as at beginning of the financial year	1,441,102	1,441,010
Additional Investments during the year	300	92
Acquisitions during the year	-	-
	1,441,402	1,441,102
Fair value adjustments	-	-
Current year impairment loss	-	-
Balance at the end of the financial year	1,441,402	1,441,102

The following information relates to the subsidiaries are as below:

Direct subsidiaries

Name of companies	Principal activities	Country	Cost of investment 2018 US$	Cost of investment 2017 US$	Equity holding 2018 %	Equity holding 2017 %
1. Gravita Netherlands BV*	Other investment holding companies & general wholesale trade	Netherlands	1,419,560	1,419,560	100	100
2. Gravita Nicaragua SA	General wholesale trade	Nicaragua	200	200	5	5
3. Gravita Mozambique Lda**	General wholesale trade	Mozambique	21,250	21,250	3.62	3.62
4. Gravita Ventures Limited	General wholesale trade	Republic of Tanzania	92	92	1	1
5. Gravita Tanzania Ltd	General wholesale trade	Republic of Tanzania	100	-	1	-
6. Mozambique Recyclers Ltd	General wholesale trade	Netherlands	200	-	2	-
TOTAL			1,441,402	1,441,102		

***Indirect subsidiaries (Held by Gravita Netherlands BV)**

Name of companies	Principal activities	Country	Cost of investment 2018 US$	Cost of investment 2017 US$	Equity holding 2018 %	Equity holding 2017 %
1.Gravita Senegal SAU	General wholesale trade	Senegal	830,000	830,000	100	100
2.Gravita Mozambique	General wholesale trade	Mozambique	563,750	563,750	96.38	96.38
3.Gravita USA Inc	General wholesale trade	USA	220,000	90,000	100	100
4.Gravita Ventures Ltd (Tanzania)	General wholesale trade	Republic of Tanzania	9,133	9,133	99	99
5.Gravita Nicaragua SA	General wholesale trade	Nicaragua	558,790	528,790	95	95
6.Navam Lanka Ltd	General wholesale trade	Sri Lanka	1,033,000	1,033,000	52	52

5. Investment in Subsidiary (continued)

***Indirect subsidiaries (Held by Gravita Netherlands BV) Cont'd**

Name of companies	Principal activities	Country	Cost of investment 2018 US$	Cost of investment 2017 US$	Equity holding 2018 %	Equity holding 2017 %
7.Gravita Jamaica	General wholesale trade	Jamaica	202,880	79	100	100
8.Recyclers Costa Rica	General wholesale trade	Netherlands	200,000	115,000	100	100
9.Recyclers Ghana Ltd	General wholesale trade	Netherlands	50,000	-	100	100
10. Gravita Mauritania SARL	General wholesale trade	Netherlands	2,786	2,786	100	100
11. Gravita Cameroon	General wholesale trade	Netherlands	1,640	1,640	100	100
12.Mozambique Recyclers LDA	General wholesale trade	Netherland	9,800	-	98	-
13. Gravita Tanzania Ltd	General wholesale trade	Republic of Tanzania	9,900	-	99	-
TOTAL			3,691,679	3,174,178		

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

Investment in Subsidiaries approximates its fair value as on the Statement of Financial Position date. Please also refer to Note 3.1(c).

In line with Singapore Companies Act Cap 50 section 201(1)(2)(11) and FRS 110 the Company is exempt from presenting consolidated accounts. The Company satisfies all the conditions of FRS 110 paragraph 4(a) from presenting consolidation financial statements for the year;

a) it is wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent presenting consolidated financial statements;
b) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
c) it did not file, nor it is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
d) its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
e) it did not file, nor it is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market; and
f) its ultimate or any intermediate parent produces consolidated financial statements that are available for public use. The immediate parent consolidated financial statement can be obtained from it registered office.

The ultimate parent Company 'Gravita India Limited', a Company incorporated in India produces consolidated financial statements available for public use.

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

6. Trade and other receivables

	2018 US$	2017 US$
Trade Receivables	17,572	-
Other Receivables		
- Prepayments	245	-
- Third party – advances (trade)	3,190	
- Related parties' advances (trade)	530,393	845,527
Total trade and other receivables	**551,400**	845,527

The credit period of trade receivables is 30-180 days. Trade and other receivables approximate its fair value as on the statement of financial position date and are denominated in United States Dollars. The advances paid to related parties are under normal trade terms.

7. Cash and cash equivalents

	2018	2017
	US$	US$
Cash in hand	-	-
Cash at bank	5,433	71,392
Cash & cash equivalents per statement of cash flows	5,433	71,392

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

	2018	2017
	US$	US$
Singapore Dollars	1,939	2,007
United States Dollars	3,494	69,385
	5,433	71,392

8. Trade and other payables

	2018	2017
	US$	US$
Trade payables:	-	-
Other payables:		
- Accruals for operating expenses	7,311	6,296
- Other creditors	100,000	1,848
- Related party (non-trade)	170,150	630,000
	277,461	638,144
Total trade & other payables	277,461	638,144

The average credit period of trade payables is 30-180 days. Other payable due to related party is non-trade, unsecured, interest free and repayable on demand.

Trade and Other payables approximate its fair value as on the statement of financial position date and are denominated in following currencies:

	2018	2017
	US$	US$
Singapore Dollars	7,311	8,144
United states dollars	270,150	630,000
	277,461	638,144

9. Deferred Taxation

There is neither any movement nor any balance in this account as at the date of statement of financial position.

10. Taxation

Movement of current income tax liabilities are as follows:-

	2018	2017
	US$	US$
Balance at the beginning	-	-
Current year provision	-	-
Income tax paid	-	-
Balance as at 31st March	-	-

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

	2018	2017
	US$	US$
Profit / (loss) before income tax	897	(4,200)
Tax calculated at tax rate of 17%	152	-
Effects of:		
- expenses not deductible for tax purposes	-	-
-Tax exemption and rebates	(152)	-
Tax expense	-	-

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

11. Revenue

	2018	2017
	US$	US$
Sale of goods	43,222	24,660

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

12. Cost of sales

	2018	2017
	US$	US$
Purchases & other direct costs	41,692	23,760

13. Other income

	2018	2017
	US$	US$
Interest income	15,295	10,003
Exchange gain	135	254
Tax refund	3,618	5,636
	19,048	15,893

14. Profit/ (loss) from operations

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

	2018	2017
	US$	US$
Bank charges	1,171	3,354
Legal and Professional fees	2,990	3,930
Travelling and conveyance	535	52

15. Employee compensation

	2018	2017
	US$	US$
Salaries and Other Benefits	5,710	5,469
Employer's contribution to defined contribution plans	-	-
	5,710	5,469

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

	2018	2017
	US$	US$
Salaries, bonus and allowances	-	-
Employer's contribution to defined contribution plans	-	-
	-	-

16. Significant related party transactions

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

	2018	2017
Related Companies:	US$	US$
- Trade related - Gravita Netherlands-advance	530,393	845,527
- Sales	43,222	-
- Acquisition of Subsidiaries	300	-
Key management personnel compensation	-	-

17. Contingencies & commitments

17.1 Contingent liabilities

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

17. Contingencies & commitments (cont'd)

17.2 Capital commitments

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

17.3 Operating lease commitments – where the Company is a lessee

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

18. Financial risk management

Financial risk factors

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

18.1 Market risk

(a) Currency risk

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

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

As at 31st March 2018	**SGD**	**Others**	**Total**
Financial assets	US$	US$	US$
Cash & cash equivalents	1,939	-	1,939
Trade & other receivables	-	-	-
	1,939	-	1,939
Financial liabilities			
Trade & other payables	7,311	-	7,311
	7,311	-	7,311

Foreign currency sensitivity

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

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

	Financial Assets		**Financial Liabilities**	
	2018	**2017**	**2018**	**2017**
(net of tax @ 17%):	US$	US$	US$	US$
Profit/ (loss)	160	167	(607)	(676)
Other equity	-	-	-	-
	160	167	(607)	(676)

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

	Financial Assets		**Financial Liabilities**	
	2018	**2017**	**2018**	**2017**
(net of tax @ 17%):	US$	US$	US$	US$
Profit/ (loss)	(160)	(167)	607	676
Other equity	-	-	-	-
	(160)	(167)	607	676

18. Financial risk management (continued)

18.1 Market risk (continued)

(b) Interest rate risk

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

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

18.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit standing and history and obtaining sufficient collateral or buying credit insurance where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored by management.

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

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

	2018	2017
By geographical areas:	US$	US$
Singapore	-	-
Others	17,572	-
	17,572	-
By types of customers:		
Related parties	17,572	-
Non-related parties	-	-
	17,572	-

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

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

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

	2018	2017
	US$	US$
Less than 180 days	17,572	-
More than 180 days	-	-

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

	2018	2017
	US$	US$
Top Customer 1	43,222	24,660
Top Customer 2	-	-
Top Customer 3	-	-

18.3 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions at a short notice. At the statement of financial position date, assets held by the Company for managing liquidity risk included cash (Note 7).

18. Financial risk management (continued)

18.3 Liquidity risk (continued)

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

31st March 2018	Maturity	Maturity		Applicable
	≤ 1 year	2 - 5 years	Total	Interest Rate
Financial Liabilities	**US$**	**US$**	**US$**	**Note No. #**
Trade and other payables	277,461	-	-	NIL
Total	277,461	-	-	

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

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

18.4 Capital risk

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

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

	2018	2017
	US$	US$
Net debt	272,028	566,572
Total equity	1,720,774	1,719,877
Total capital	1,992,802	2,286,629
Gearing ratio (%)	**13.65%**	**24.78 %**

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

	2018	2017
	US$	US$
Total liability	277,461	638,144
Tangible net worth	1,720,774	1,719,877
Leverage ratio	**0.16 times**	**0.37 times**

18.5 Fair value measurements

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

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

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

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

18. Financial risk management (continued)

18.5 Fair value measurements (continued)

	Financial Assets		Financial Liabilities	
	2018	2017	2018	2017
	US$	US$	US$	US$
Level 1	-	-	-	-
Level 2	-	-	-	-
Level 3	-	-	-	-

The fair value measurements is not applicable as the Company do not have any financial assets and liabilities of the type of the levels mentioned above as at the date of statement of financial position.

19. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2018 and which the Company has not early adopted:

FRS 109	Financial Instruments (replaces FRS 39 Financial instruments: Recognition & measurement)
FRS 115	Revenue from Contracts with Customers (replaces FRS 11 and FRS 18)
FRS 116	Leases (effective for annual periods beginning on or after 1st January 2019)

20. Authorization of the financial statements

These financial statements of the Company as at 31st March 2018 and for the financial year then ended were authorized and approved for issuance in accordance with a resolution of the Board of Directors of **GRAVITA GLOBAL PTE. LTD.** on **25th May 2018.**