GRAVITA GLOBAL PTE. LTD.
(ACRA Registration No. 201204623C)

(Incorporated in The Republic of Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

CONTENTS

DIRECTORS' STATEMENT

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31st March 2019.

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 2019 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:

Nareshkumar Khushalbhai Gohel
Vijendra Singh Tanwar (resigned on 17/10/2018)
Rajat Sharma (appointed on 10/10/2018)
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 Company (No. of ordinary shares)	At 31st March 2019	At 1st April 2018 or date of appointment if later	At 31st March 2019	At 1st April 2018 or date of appointment if later
Gravita India Limited	1,345,000	1,345,000	-	-
Directors who have interest in above Holding Co.				
Nareshkumar Khushalbhai Gohel	-	-	-	-
Vijendra Singh Tanwar	-	113,500	-	-
Rajat Sharma	-	-	-	-
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 22 MAY 2019 were the same as those as at 31st March 2019.

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

N.K. Gohel

Nareshkumar Khushalbhai Gohel
Director

Rajat Sharma

Rajat Sharma
Director

Singapore
Date: 22 MAY 2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GRAVITA GLOBAL PTE. LTD.
(REGISTRATION NO. 201204623C)
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2019

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 2019 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 2019;
- 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.

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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Responsibilities of Management and Directors for the Financial Statements (cont'd)

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)

STAMFORD ASSOCIATES LLP
Public Accountants and
Chartered Accountants, Singapore

Place: Singapore
Date: 22 May 2019

STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-current assets			
Investment in Subsidiaries	5	1,441,502	1,441,402
Total Non - Current assets			
Current assets			
Trade and other receivables	6	274,286	551,400
Contract asset	9	-	-
Cash and cash equivalents	7	3,070	5,433
Total Current Assets		277,356	556,883
Total Assets		**1,718,858**	**1,998,235**
LIABILITIES			
Non - Current liabilities			
Deferred tax liability	15	-	-
Total Non - Current Liabilities		-	-
Current liabilities			
Trade and other payables	8	(8,053)	(277,461)
Contract liability	9	-	-
Provision for taxation	16	-	-
Total Current Liabilities		(8,053)	(277,461)
Total Liabilities		(8,053)	(277,461)
NET ASSETS		**1,710,805**	**1,720,774**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share Capital	4	1,345,000	1,345,000
Accumulated Profit		365,805	375,774
TOTAL EQUITY		**1,710,805**	**1,720,774**

(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 2019

	Note	2019 US$	2018 US$	
Revenue	10	26,338	43,222	
Cost of revenue	11	(25,263)	(41,692)	
Gross profit		1,075	1,530	
Other income	12	10,712	19,048	
		11,787	20,578	
Less :				
Administrative and other operating expenses	13	(21,756)	(19,681)	
(Loss) / Profit from operations		(9,969)	897	897
Finance costs		-	-	
(Loss) / Profit before tax		(9,969)	897	
Income tax expense	16	-	-	
Deferred Tax	15	-	-	
(Loss) / Profit after tax		(9,969)	897	
Profit / (loss) from discontinued operations		-	-	
Total (Loss) / Profit		(9,969)	897	
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss		-	-	
Items that will not be reclassified subsequently to profit or loss		-	-	
Other comprehensive income, net of tax		-	-	
Total Comprehensive (Loss) / Income		**(9,969)**	**897**	

(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 2019**

	Attributable to equity holders of the Company		
	Share Capital US$	Accumulated Profit US$	Total Equity US$
Balance as at 1st April 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
Total comprehensive (loss)	-	(9,969)	(9,969)
Balance as at 31st March 2019	**1,345,000**	**365,805**	**1,710,805**

(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 2019

	Note	2019 US$	2018 US$
Cash flows from operating activities			
(Loss) / Profit **before** tax		(9,969)	897
Adjustments for non-cash / non-operating items		-	-
		(9,969)	897
Change in working capital:			
Trade and other receivables	6	277,114	294,127
Trade and other payables	8	(269,408)	(360,683)
Net Cash Used in Operations		7,706	(66,556)
Cash generated from operations		(2,263)	(65,659)
Income tax paid	16		-
Net cash from operating activities		(2,263)	(65,659)
Cash flows from investing activities			
Investment in Subsidiaries	5	(100)	(300)
Net cash from investing activities			(300)
		(2,363)	(65,959)
Cash flows from financing activities			-
Net (decrease) / increase in cash and cash equivalents		(2,363)	(65,959)
Cash and cash equivalents at beginning of the financial year		5,433	71,392
Cash and cash equivalents at the financial year end	7	**3,070**	**5,433**

(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, acCompany 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.

Interpretations and amendments to published standards effective in 2018

On 1st April 2018, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

2.2 Revenue recognition

(a) Sale of goods

Sales are recognised when control of the goods has transferred to its customer, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a contract liability. Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The claims are expected to be settled in the next financial year. A receivable (financial asset) is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

Prior to 1st April 2018, the Company has recognized its revenue in line with FRS 18 - Revenue Recognition and the implementation of new FRS 115 – Revenue Recognition will not have any significant impact on the amounts reported for the previous financial year.

2. Significant Accounting Policies (cont'd)

2.2 Revenue recognition

(b) Interest income

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

(c) Dividend income

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

2.3 Government grants

Grants from the government are recognized as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Government grants receivable are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

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

2.4 Property, plant and equipment

a) Measurement

(i) Plant and equipment

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

(ii) Component of costs

The cost of an item of plant and equipment initially recognized 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. Cost also includes borrowing costs that are directly attributable to the acquisition.

(b) Depreciation

Depreciation of plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognized in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, 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 entity 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 property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in profit or loss within "Other gains/losses – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

2. Significant Accounting Policies (cont'd)

2.5 Financial assets

The accounting for financial assets from 1 April 2018 is as follows:

(a) Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade and other receivables, listed and unlisted debt securities. There are three subsequent measurement categories, depending on the Company's business model for managing the asset and the cash flow characteristics of the asset:

Amortised cost:

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

FVOCI:

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

FVPL:

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) Equity investments

The Company subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains and losses", except for those equity securities which are not held for trading. The Company has elected to recognise changes in fair value of equity

2. **Significant Accounting Policies (cont'd)**

2.5 Financial assets (cont'd)

(a) Classification and measurement (cont'd)

(ii) Equity investments

securities not held for trading in other comprehensive income as these are strategic investments and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains / losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(a) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, lease receivables and contract assets, the Company applies the simplified approach permitted by the SFRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) 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. On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset. Trade receivables that are factored out to banks and other financial institutions with recourse to the Company are not derecognised 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.

(d) 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.

2.6 Financial guarantees

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

(a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS 115; and

(b) the amount of expected loss computed using the impairment methodology under SFRS 109.

Prior to 1 April 2018, financial guarantees were subsequently measured at the higher of (a) and the expected amounts payable to the banks in the event it is probable that the Company will reimburse the banks.

2.7 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. Financial liabilities represent liabilities for goods and services provided to the Company prior to the end of the 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 represented as non-current liabilities. Gains and

2. Significant Accounting Policies (cont'd)

2.7 Financial liabilities (cont'd)

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.

2.8 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.

2.9 Borrowings

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

2.10 Impairment of non- financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized in the income and expenditure statement if the carrying amount of an asset or its cash generating unit exceeds its revocable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. Impairment losses recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the revocable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized. Reversal of impairment loss is recorded in income and expenditure statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.11 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. 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.

2.12 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. Significant Accounting Policies (cont'd)

2.13 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.

2.14 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.

2.15 Currency Translation

(a) Functional and presentation currency

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

2. Significant Accounting Policies (cont'd)

2.15 Currency Translation (cont'd)

(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.

2.16 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

2.17 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.

2.18 Share capital and Dividends

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. Dividends of the Company's shareholders are recognized when the dividends are approved for payment.

2.19 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.

2. Significant Accounting Policies (continued)

2.18 Subsidiaries (cont'd)

(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. 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

These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 discussed as below:

3. Critical accounting estimates, assumptions and judgments (cont'd)

3.1 Critical accounting estimates and assumptions & Key Sources of estimation uncertainty (cont'd)

(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 2019	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 2018		
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	2019 US$	2018 US$
Balance at beginning of the financial year	1,441,402	1,441,102
Additional Investments during the year	100	300
Disposals during the year	-	-
	1,441,502	1,441,402
Fair value adjustments	-	-
Current year impairment loss	-	-
Balance at the end of the financial year	**1,441,502**	**1,441,402**

5. Investment in Subsidiaries (cont'd)

The following information relates to the subsidiaries are as below:

Direct subsidiaries

Name of companies	Principal activities	Country	Cost of investment 2019 US$	Cost of investment 2018 US$	Equity holding 2019 %	Equity holding 2018 %
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	100	0.02	1
6. Mozambique Recyclers Ltd	General wholesale trade	Netherlands	200	200	2	2
7. Gravita Peru SAC	General wholesale trade	Peru	100	-	1	-
TOTAL			1,441,502	1,441,402		

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

Name of companies	Principal activities	Country	Cost of investment 2019 US$	Cost of investment 2018 US$	Equity holding 2019 %	Equity holding 2018 %
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	220,000	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	643,790	558,790	95	95
6.Navam Lanka Ltd	General wholesale trade	Sri Lanka	1,033,000	1,033,000	52	52
7.Gravita Jamaica	General wholesale trade	Jamaica	277,880	202,880	100	100
8.Recyclers Costa Rica	General wholesale trade	Netherlands	200,000	200,000	100	100
9.Recyclers Ghana Ltd	General wholesale trade	Netherlands	700,000	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	101,640	1,640	100	100
12.Mozambique Recyclers LDA	General wholesale trade	Netherland	9,800	9,800	98	98
13. Gravita Tanzania Ltd	General wholesale trade	Republic of Tanzania	259,900	9,900	99.98	99
14. Gravita Dominican Republic S.A	General wholesale trade	Dominican Republic	18,000	-	99	-
15. Gravita Mali S.A	General wholesale trade	Mali	17,900	-	100	-
16. Gravita Peru SAC	General wholesale trade	Peru	9,900	-	99	-
TOTAL			4,897,479	3,691,679		

**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;

5. **Investment in Subsidiaries (cont'd)**

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 its 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**

	2019 US$	2018 US$
Trade Receivables	-	17,572
Other Receivables		
- Prepayments	-	245
- Third party – advances (trade)	3,190	3,190
- Related parties' advances (trade)	262,066	530,393
- Advance paid to Suppliers	9,030	-
Total trade and other receivables	**274,286**	**551,400**

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**

	2019 US$	2018 US$
Cash in hand	-	-
Cash at bank	3,070	5,433
Cash & cash equivalents per statement of cash flows	**3,070**	**5,433**

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

	2019 US$	2018 US$
Singapore Dollars	104	1,939
United States Dollars	2,966	3,494
	3,070	**5,433**

8. **Trade and other payables**

	2019 US$	2018 US$
Trade payables:	-	-
Other payables:		
- Accruals for operating expenses	8,053	7,311
- Other creditors	-	100,000
- Related party (non-trade)	-	170,150
	8,053	277,461
Total trade & other payables	**8,053**	**277,461**

8. Trade and other payables (cont'd)

The average credit period of trade payables is 30-180 days. Trade and Other payables approximate its fair value as on the statement of financial position date and are denominated in following currencies:

	2019	2018
	US$	US$
Singapore Dollars	8,053	7,311
United states dollars	-	270,150
	8,053	277,461

9. Contract Liability / Contract Asset

The Company recognizes the contract liability & contract asset on unfulfilled performance obligation based on the terms and conditions of the contracts entered in to with customers & suppliers on case to case basis. However, there are no unfulfilled obligation in line with FRS 115 exists as at the date of statement of financial position.

10. Revenue

	2019	2018
(Recognised at a point in time)	US$	US$
Sale of goods	26,338	43,222

Sale of goods revenue represents the invoiced value net of discounts during the financial year and is recognised when the entity has transferred the control over goods upon satisfaction of performance obligations to the buyer. The revenue is recognized upon successful satisfaction of performance obligation as per 'FRS 115 – Revenue from contracts with customers.'

The previous year revenue is recognised in line with FRS 18 - Revenue Recognition and the implementation of new FRS 115 Revenue Recognition will not have any significant impact on the amounts reported for the previous financial year.

11. Cost of revenue

	2019	2018
	US$	US$
Purchases & other direct costs	25,263	41,692

12. Other income

	2019	2018
	US$	US$
Interest income	10,712	15,295
Exchange gain	-	135
Tax refund	-	3,618
	10,712	19,048

13. (Loss) / Profit from operations

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

	2019	2018
	US$	US$
Bank charges	1,156	1,171
Legal and Professional fees	9,886	2,990
Travelling and conveyance	-	535

14. Employee compensation

	2019	2018
	US$	US$
Salaries and Other Benefits	7,120	5,710
Employer's contribution to defined contribution plans	-	-
	7,120	5,710

There is no Directors' remuneration (key management personnel compensation) paid during the current and previous financial years.

15. Deferred Taxation

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

16. Taxation

	2019 US$	2018 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:-

	2019 US$	2018 US$
(Loss) / Profit before income tax	(9,969)	897
Tax calculated at tax rate of 17%	(1,695)	152
Effects of:		
- expenses not deductible for tax purposes	-	-
-Tax exemption and rebates	-	(152)
-Tax benefit forfeited	1,695	
Tax expense	-	-

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

17. Significant related party transactions

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

Related Companies:	2019 US$	2018 US$
- Trade related advance	262,066	530,393
- Sales	26,338	43,222
- Acquisition of Subsidiaries	100	300
Key management personnel compensation	-	-

18. Contingencies & commitments

18.1 Contingent liabilities

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

18.2 Capital commitments

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

18.3 Operating lease commitments – where the Company is a lessee

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

19. Financial risk management

Financial risk factors

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

19. Financial risk management (cont'd)

19.1 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 2019	**SGD**	**Others**	**Total**
Financial assets	US$	US$	US$
Cash & cash equivalents	104	-	104
Trade & other receivables	-	-	-
	104	-	104
Financial liabilities			
Trade & other payables	(8,053)	-	(8,053)
	(8,053)	-	(8,053)

Foreign currency sensitivity

If the relevant foreign currency change against United States Dollars (US$) 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**	
	2019	**2018**	**2019**	**2018**
(net of tax @ 17%):	US$	US$	US$	US$
Profit/ (loss)	8	160	(668)	(607)
Other equity	-	-	-	-
	8	160	(668)	(607)

If the foreign currency *weakens* by 10% against the functional currency of the Company, statement of comprehensive income and other equity have equal but opposite effect.

(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.

19.2 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 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 customer is restricted by credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors. 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 is not applicable to the Company as there is no trade receivable balance exists due to the Company as at statement of financial position date.

19.3 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).

19. Financial risk management (cont'd)

19.3 Liquidity risk (cont'd)

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 2019	Maturity	Maturity		Applicable
	≤ 1 year	2 - 5 years	Total	Interest Rate
Financial Liabilities	US$	US$	US$	Note No. #
Other payables	8,053	-	8,053	NIL
Contract liability	-	-	-	NIL
Total	8,053	-	8,053	

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 Company. 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.

19.4 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. 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.

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.

	2019	2018
	US$	US$
Net debt	4,983	272,028
Total equity	1,710,805	1,720,774
Total capital	1,715,788	1,992,802
Gearing ratio (%)	0.29%	13.65%

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

	2019	2018
	US$	US$
Total liability	8,053	277,461
Tangible net worth	1,710,805	1,720,774
Leverage ratio	0.005 times	0.16 times

19.5 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).

The fair value measurements are not applicable to the Company as there are no financial instruments of the types 1,2 or 3 exists as at the date of statement of financial position.

20. 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 2019 and which the Company has not early adopted:

SFRS (I) INT 23	Uncertainty Over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)
FRS 116	Leases (effective for annual periods beginning on or after 1st January 2019)

21. Authorization of the financial statements

These financial statements of the Company as at 31st March 2019 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 2 2 MAY 2019

GRAVITA GLOBAL PTE. LTD.
(Incorporated in the Republic of Singapore)
Detailed Statement of Comprehensive Income
For the period from 1st April 2018 to 31st March 2019

Description	31/03/2019 USD	31/03/2018 USD
Revenue		
Revenue	(8815.00)	0.00
Sale of goods - 4	(17523.00)	(43222.50)
	(26338.00)	**(43222.50)**
Other income		
Interest income	(10712.00)	(15295.33)
Gain on foreign exchange - unrealised	(420.00)	(134.30)
Gain on foreign exchange - realised	413.00	0.00
Other Income	0.00	(3618.42)
	(10719.00)	**(19048.05)**
Cost of sales (COS)		
Purchases (FGoods)	25263.00	41692.50
	25263.00	**41692.50**
Administrative expenses		
Audit fee	1760.00	7239.08
Bank charges	1156.00	1171.35
Exchange difference	127.00	147.71
Insurance	0.00	0.00
Legal and professional fee	870.00	2990.31
Postage	42.00	75.56
Printing and stationery	0.00	0.00
Professional service charges	9886.00	0.00
Rental	0.00	0.00
Subscription fee	560.00	390.86
Telephone and fax charges	314.00	414.14
Travelling expenses	0.00	535.12
Conveyance Exp	0.00	0.00
	14715.00	**12964.13**
Staff costs		
Salaries, bonus and allowances	(60.00)	5710.42
Staff welfare	7120.00	1006.51
	7060.00	**6716.93**
Other expenses		
Others expenses 1	(14.00)	0.00
	(14.00)	**0.00**

NET (INCOME) LOSS	**9967.00**	**(896.99)**
Sum of Account Groups	**9967.00**	**(896.99)**