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

FINANCIAL STATEMENTS
For the financial year ended 31 March 2015

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

INCOME TAX REFERENCE NO: 200809977K

UNITED STATES (US$) CURRENCY

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

Contents

DIRECTORS' REPORT
For the financial year ended 31 March 2015

The directors present their report to the shareholders together with the audited financial statements of the Company for the financial year ended 31 March 2015.

DIRECTORS

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

DEEPAK KOTHARI
SOMESH GANERIWAL
SENTHILNATHAN VISWANATHAN

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year ended to 31 March, 2015 was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Shares registered in the Name of the holding Company		Shares registered in the Names of directors in the holding company	
	As at 1-Apr-14	**As at 31-Mar-15**	**As at 1-Apr-14**	**As at 31-Mar-15**
Deemed Interest Shares held through holding company				
KOTHARI PRODUCTS LIMITED	10,000,000	10,000,000		
Deepak Kothari			3,051,916	9,155,748

DIRECTORS' CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or has become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Companies Act, Chapter 50 by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except directors remuneration and related party transactions as disclosed in the financial statements.

OPTIONS GRANTED

During the financial year, no option was granted to take up unissued shares of the company.

OPTIONS EXERCISED

During the financial year, there was no share issued by virtue of the exercise of an option granted to take up unissued shares of the company.

OPTIONS OUTSTANDING

At the end of the financial year, there was no unissued share of the company under option.

AUDITORS

The auditors, T. Ravi & Co., Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

SENTHILNATHAN VISWANATHAN

SOMESH GANERIWAL

Singapore, 22 May 2015.

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

STATEMENT BY DIRECTORS
For the financial year ended 31 March 2015

We, the directors of **KOTHARI PRODUCTS SINGAPORE PRIVATE LIMITED** do hereby state that, we are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

a) 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets;

b) selecting and applying appropriate accounting policies;

c) making accounting estimates that are reasonable in the circumstances; and

d) assessing the risk of fraud and communicate to governing body on the outcome of those assessment.

Further in our opinion,

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 are drawn up to give a true and fair view of the state of affairs of the company as at **31 March 2015** and the results, changes in equity and cash flows of the company for the financial year ended at that date; and

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

The board of directors authorised these financial statements on the date of this statement.

On behalf of the directors,

SENTHILNATHAN VISWANATHAN

SOMESH GANERIWAL

Singapore, 22 May 2015.

T Ravi & Co
Chartered Accountants

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

Tel : 65-6222 2410 / 65-6220 5541
Fax : 65-6226 2004
Email : audittaxaccounts@gmail.com
audit@travicpa.com

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the group and the Company, which comprises of the statement of financial position as at **31 March 2015**, and the statement of comprehensive income, statement of changes in equity, statement of cash flows of the Group and Company for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 7 to 46.

MANAGEMENT'S RESPONSIBILITY 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 Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

T Ravi & Co
Chartered Accountants

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

Tel : 65-6222 2410 / 65-6220 5541
Fax : 65-6226 2004
Email : audittaxaccounts@gmail.com
audit@travicpa.com

OPINION

In our opinion, the financial statements of the Group and Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at **31 March 2015**, and the results, changes in equity and cash flows of group and the Company for the financial period ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIRMENTS

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.

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

Singapore, 22 May 2015.

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

STATEMENT OF FINANCIAL POSITION
For the financial year ended 31 March 2015

	Note	Group 2015 US$	Group 2014 US$
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	4	170,274	186,269
Plant and Equipment	5	36,827	52,066
		207,101	238,335
Current Assets			
Trade receivables	6	37,642,839	42,240,461
Deposits, prepayments and other receivables	7	87,095	180,065
Cash and bank balances	8	6,435,518	6,228,661
		44,165,452	48,649,187
Less: Current Liabilities			
Trade payables	9	3,064,742	12,660,215
Other payables and accruals	11	254,476	105,464
Bank Borrowings, secured	12	25,388,542	22,012,410
Provision for taxation	13	270,892	191,567
		28,978,652	34,969,656
Net Current assets		15,186,800	13,679,531
Net assets		15,393,901	13,917,866
EQUITY			
Share capital	14	7,614,662	7,614,662
Retained profit		7,880,783	6,387,610
Translation Reserve		(101,544)	(84,406)
		15,393,901	13,917,866

SENTHILNATHAN VISWANATHAN
Director

SOMESH GANERIWAL
Director

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

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

STATEMENT OF FINANCIAL POSITION
For the financial year ended 31 March 2015

	Note	Company 2015 US$	Company 2014 US$
ASSETS AND LIABILITIES			
Non-current assets			
Investment in subsidiary	4	76,629	76,629
Plant and Equipment	5	36,827	52,066
		113,456	128,695
Current Assets			
Trade receivables	6	37,642,839	42,240,461
Deposits, prepayments and other receivables	7	87,095	180,065
Cash and bank balances	8	6,425,505	6,221,622
		44,155,439	48,642,148
Less: Current Liabilities			
Trade payables	9	3,064,742	12,660,215
Amount owing to subsidiary company	10	1,229,778	1,285,350
Other payables and accruals	11	247,088	96,721
Bank Borrowings, secured	12	25,388,542	22,012,410
Provision for taxation	13	270,892	191,567
		30,201,042	36,246,263
Net Current assets		13,954,397	12,395,885
Net assets		14,067,853	12,524,580
EQUITY			
Share capital	14	7,614,662	7,614,662
Retained profit		6,453,191	4,909,918
		14,067,853	12,524,580

SENTHILNATHAN VISWANATHAN
Director

SOMESH GANERIWAL
Director

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

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2015

	Note	Group 01/04/2014 to 31/03/2015 US$	Group 01/04/2013 to 31/03/2014 US$
Revenue	15	**150,194,360**	108,886,002
Direct costs - purchases and incidentals	16	**(146,828,389)**	(106,092,450)
Other income	17	**74,760**	60,070
Staff cost inclusive of directors' remuneration	18	**(409,454)**	(487,770)
Depreciation expenses	5	**(18,668)**	(16,882)
Operating lease rental	19	**(86,447)**	(86,030)
Finance costs		**(1,024,206)**	(780,840)
Other operating expenses		**(99,162)**	(98,627)
Net Profit before taxation	20	**1,802,794**	1,383,473
Income tax	13	**(309,621)**	(88,514)
Net Profit for the year		**1,493,173**	1,294,959
Other comprehensive income		**-**	-
Income tax relating to components of other comprehensive income		**-**	-
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**1,493,173**	1,294,959

SENTHILNATHAN VISWANATHAN
Director

SOMESH GANERIWAL
Director

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

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2015

	Note	Company 01/04/2014 to 31/03/2015 US$	Company 01/04/2013 to 31/03/2014 US$
Revenue	15	**150,194,360**	108,886,002
Direct costs – purchases and incidentals	16	**(146,828,066)**	(106,092,450)
Other income	17	**74,760**	60,070
Staff cost inclusive of directors' remuneration	18	**(409,454)**	(487,770)
Depreciation expenses	5	**(18,668)**	(16,882)
Operating lease rental	19	**(86,447)**	(86,030)
Finance costs		**(1,024,206)**	(780,840)
Other operating expenses		**(90,864)**	(95,600)
Net Profit before taxation	20	**1,811,415**	1,386,500
Income tax	13	**(268,142)**	(125,000)
Net Profit for the year		**1,543,273**	1,261,500
Other comprehensive income		-	-
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**1,543,273**	1,261,500

SENTHILNATHAN VISWANATHAN
Director

SOMESH GANERIWAL
Director

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

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

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2015

GROUP

	Issued Share Capital	Translation Reserve	Retained Profit	Total
	US$		US$	US$
At 01 April 2013	7,614,662	(89,055)	5,092,651	12,618,258
Translation reserve arising during the year	-	4,649	-	4,649
Total recognised gain for the financial year – Net profit for the year	-	-	1,294,959	1,294,959
At 31 March 2014	7,614,662	(84,406)	6,387,610	13,917,866
Total recognised gain for the financial year – Net profit for the year	-		1,493,173	1,493,173
Translation reserve arising during the year	-	(17,138)	-	(17,138)
At 31 March 2015	7,614,662	(101,544)	7,880,783	15,393,901

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

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2015

COMPANY

	Issued Share Capital	Retained Profit	Total
	US$	US$	US$
At 01 April 2013	7,614,662	3,648,418	11,263,080
Total recognised gain for the financial year – Net profit for the year	-	1,261,500	1,261,500
At 31 March 2014	**7,614,662**	**4,909,918**	**12,524,580**
Total recognised gain for the financial year – Net profit for the year	-	1,543,273	1,543,273
At 31 March 2015	7,614,662	6,453,191	14,067,853

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2015

GROUP

	Group 2015 US$	Group 2014 US$
Cash flows from operating activities		
Profit before income tax	1,802,794	1,383,473
Exchange difference arising out of consolidation	(17,138)	4,649
Depreciation	18,668	16,882
Interest expenses	1,024,206	780,840
Interest income	(51,076)	(60,070)
Operating cash inflow before working capital changes	2,777,454	2,125,774
Working capital changes:		
Trade and other receivables	4,690,592	(10,029,019)
Trade and other payables	(9,446,274)	3,744,155
Fixed deposit placed under lien	(270,355)	-
Cash generated from operations	(2,248,770)	(4,159,090)
Income tax paid	(230,296)	(468,714)
Interest expenses	(1,024,206)	(780,840)
Interest income	51,076	60,070
Net cash generated from operating activities	(3,452,196)	(5,348,574)
Cash flow from investing activities		
Purchase of Plant and equipment	(3,429)	(57,917)
Sale of properties	-	(471,261)
Investment in properties	15,995	(94,255)
Net cash outflow from investing activities	12,566	(623,433)
Cash flow from financing activities		
Proceeds from bank	3,376,132	6,243,908
Net cash outflow from financing activities	3,376,132	6,243,908
Net (decrease) in cash and cash equivalents	(63,498)	271,901
Cash and cash equivalents at beginning of the year	402,070	130,169
Cash and cash equivalents at the end of the year	338,572	402,070

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2015

NOTES TO STATEMENT OF CASH FLOWS

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

	Group 2015 US$	Group 2014 US$
Cash	1	1
Cash at banks	338,571	402,069
	338,572	402,070

Fixed deposits amounting to US$6,096,946/- (2014: US$5,826,591/-) is not taken into as cash and cash equivalent bank for the purpose of cash flow statement.

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2015

COMPANY

	Company 2015 US$	Company 2014 US$
Cash flows from operating activities		
Profit before income tax	1,811,415	1,386,500
Depreciation	18,668	16,882
Interest expenses	1,024,206	780,840
Interest income	(51,076)	(60,070)
Operating cash inflow before working capital changes	2,803,213	2,124,152
Working capital changes:		
Trade and other receivables	4,690,592	(10,029,019)
Trade and other payables	(9,445,106)	3,740,356
Fixed deposit placed	(270,355)	(471,261)
Cash generated from operations	(2,221,656)	(4,635,772)
Income tax paid	(188,817)	(217,742)
Interest expenses	(1,024,206)	(780,840)
Interest income	51,076	60,070
Net cash generated from operating activities	(3,383,603)	(5,574,284)
Cash flow from investing activities		
Purchase of Plant and equipment	(3,429)	(57,917)
Net cash outflow from investing activities	(3,429)	(57,917)
Cash flow from financing activities		
Amount owing to subsidiary company	(55,572)	(338,001)
Proceeds from bank	3,376,132	6,243,907
Net cash outflow from financing activities	3,320,560	5,905,906
Net (decrease) in cash and cash equivalents	(66,472)	273,705
Cash and cash equivalents at beginning of the year	395,031	121,326
Cash and cash equivalents at the end of the year	328,559	395,031

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2015

NOTES TO STATEMENT OF CASH FLOWS

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

	Company 2015 US$	Company 2014 US$
Cash	-	-
Cash at banks	328,559	395,031
	328,559	395,031

Fixed deposits amounting to US$6,096,946/- (2014: US$5,826,591/-) is not taken into as cash and cash equivalent bank for the purpose of cash flow statement.

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

1. CORPORATE INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgment and complexity, are disclosed elsewhere in this financial statements.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Adoption of new and revised FRS

The company has adopted the entire new and revised FRS that are mandatory for the financial years beginning on or after 1 April 2014.

The following are the FRS that is relevant to the company:

Issued in 2011

FRS 27 Separate Financial Statements	1.1.2014[1]
FRS 28 Investments in Associates and Joint Ventures	1.1.2014[1]
FRS 110 Consolidated Financial Statements	1.1.2014[1]
FRS 111 Joint Arrangements	1.1.2014[1]
FRS 112 Disclosure of Interests in Other Entities	1.1.2014[1]

Issued in 2012

FRS 32 Amendments to FRS 32: Offsetting Financial Assets and Financial Liabilities	1.1.2014
FRS 110, FRS 111, FRS 112, FRS 27 & FRS 28 Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011): Mandatory Effective Date	1.1.2014
FRS 110, FRS 111 & FRS 112 Amendments to FRS 110, FRS 111 and FRS 112: Transition Guidance	1.1.2014

Issued in 2013

FRS 110, FRS 112 and FRS 27Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1.1.2014
FRS 36 Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets	1.1.2014
FRS 39 Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting	1.1.2014

[1] *The mandatory effective date of these FRSs had been revised from 1.1.2013 to 1.1.2014 by the ASC in August 2012 via Amendments to FRS 110, FRS 111, FRS 112, FRS 27 (2011) and FRS 28 (2011): Mandatory Effective Date.*

Improvements to FRS issued in 2011, 2012 ,2013 and 2014.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) FRS and INT FRS not yet effective

The company has not adopted all new/revised FRS (including their consequential amendments) and INT FRS that have been issued but not yet effective.

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

2.2 INVESTMENTS IN SUBSIDIARY COMPANY

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

Subsidiaries

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

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

2.3 INVESTMENT PROPERTIES

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

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

2.4 PLANT AND EQUIPMENT

(a) Measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Depreciation

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

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

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date.

Fully depreciated plant and equipment are retained in the financial statements at nominal value until such time when they are no longer in use and no further charge for depreciation is made in respect of these assets.

(c) Subsequent expenditure

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

(d) Disposal

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

(e) Impairment of assets

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

For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement.

2.5 IMPAIRMENT

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

(a) CALCULATION OF RECOVERABLE AMOUNT

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

The recoverable amount of other assets is the greater of their fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(b) REVERSALS OF IMPAIRMENT

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

2.6 FINANCIAL ASSETS

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

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

2.7 TRADE RECEIVABLES

Trade receivables are accounted for as receivables under FRS 39. They are recognised and carried at original invoiced amount, which represents their fair value on initial recognition, less allowance for any uncollectible amounts. Allowance for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. The accounting policy for this category of financial assets is stated in Note 2.7.

2.8 LOANS AND RECEIVABLES

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 CASH AND CASH EQUIVALENTS

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

2.10 TRADE CREDITORS AND OTHER PAYABLES

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

2.11 PROVISIONS

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

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

2.12 FINANCIAL LIABILITIES

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 TAXATION

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

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

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

2.14 LEASED ASSETS

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 SHARE CAPITAL

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

2.16 REVENUE RECOGNITION

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

(a) Sale of goods

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

(b) Other Sales/Service income

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

(c) Interest income

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 EMPLOYEE BENEFITS

(1) *Defined contribution plans*

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

(2) *Employee leave entitlement*

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

2.18 FINANCE COSTS

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

2.19 FAIR VALUE FINANCIAL INSTRUMENTS

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