
BARAMATI AGRO SINGAPORE PTE. LTD.
(Company Registration No. 201219750C)

Financial Statements For The Year Ended March 31, 2017

Baramati Agro Singapore Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Rohit Rajendra Pawar

Vangal Rangarajan Ranganathan

Secretary

Vangal Rangarajan Ranganathan

Registered Office

64 Cecil Street

#03-03 IOB Building

Singapore 049711

Auditors

Natarajan & Swaminathan

Chartered Accountants Singapore

1 North Bridge Road

#19-04/05 High Street Centre

Singapore 179094

Index	Page
Directors' Statement	1 - 2
Independent Auditors' Report	3 - 5
Statement of Financial Position	6
Statement of Comprehensive Income	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 28

Baramati Agro Singapore Pte. Ltd.

Directors' Statement

For the financial year ended March 31, 2017

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2017.

1 Directors

The directors in office at the date of this statement are:-

Rohit Rajendra Pawar

Vangal Rangarajan Ranganathan

2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits through the acquisition of shares in, or debentures of the Company or any other body corporate.

3 Directors' interest in shares and debentures

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

<u>Name of director</u>	<u>At beginning of year</u>	<u>At end of year</u>
<i>Company</i>		
<i>Number of ordinary shares</i>		
Rohit Rajendra Pawar - Deemed interest	200,000	200,000

4 Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares of the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Baramati Agro Singapore Pte. Ltd.
Directors' Statement

For the financial year ended March 31, 2017

5 Auditors

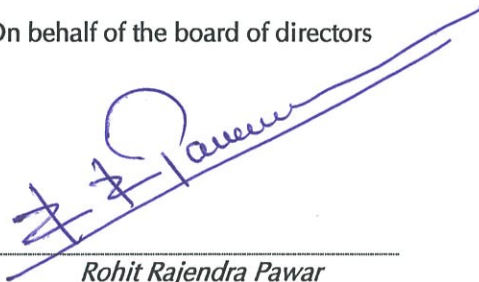
The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

6 Directors' opinion

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Financial Reporting Standard in Singapore; 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.

On behalf of the board of directors



Rohit Rajendra Pawar



Vangal Rangarajan Ranganathan

Date: June 28, 2017

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BARAMATI AGRO SINGAPORE PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRS) so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do 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, 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BARAMATI AGRO SINGAPORE PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
(Incorporated in the Republic of Singapore)

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 FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditors' 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 SSA 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 SSA, 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF BARAMATI AGRO SINGAPORE PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017
(Incorporated in the Republic of Singapore)

Auditors' Responsibilities for the Audit of the Financial Statements *(Cont'd)*

- 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 auditors' 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 auditors' 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.


Natarajan & Swaminathan
Public Accountants and Chartered Accountants Singapore

Date: June 28, 2017

Baramati Agro Singapore Pte. Ltd.

Statement of Financial Position

As at March 31, 2017

	Note	<u>2017</u>	<u>2016</u>
		US\$	US\$
Assets			
Non-current assets			
Plant and equipment	3	13,195	18,173
Total non-current assets		<u>13,195</u>	<u>18,173</u>
Current assets			
Inventories at net realisable value (2016:at cost) for resale		3,313,229	60,120
Trade receivables	4	5,963,412	893,722
Other receivables	5	2,156,124	1,899,461
Cash at banks	6	4,460,179	7,231,425
Total current assets		<u>15,892,944</u>	<u>10,084,728</u>
Total assets		<u><u>15,906,139</u></u>	<u><u>10,102,901</u></u>
Equity and liabilities			
Equity			
Share capital	7	161,691	161,691
Accumulated profits		2,703,047	3,035,364
Total equity		<u>2,864,738</u>	<u>3,197,055</u>
Current liabilities			
Trade payables and accruals	8	11,030,277	5,949,762
Other payables	9	64,352	496,436
Bank loan	10	1,943,676	-
Income tax payable		3,096	459,648
Total current liabilities		<u>13,041,401</u>	<u>6,905,846</u>
Total liabilities		<u>13,041,401</u>	<u>6,905,846</u>
Total equity and liabilities		<u><u>15,906,139</u></u>	<u><u>10,102,901</u></u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Baramati Agro Singapore Pte. Ltd.

Statement of Comprehensive Income

For the financial year ended March 31, 2017

	Note	<u>2017</u>	<u>2016</u>
		US\$	US\$
Revenue	12	52,225,621	86,586,560
Other income	13	158,256	110,018
Changes in inventories		3,253,109	60,120
Cost of purchases		(55,286,473)	(83,057,145)
Salaries and employee benefits	14	(281,800)	(452,747)
Depreciation of plant and equipment	3	(9,056)	(8,684)
Other operating expenses		(379,081)	(322,994)
Finance cost	15	(15,980)	(33,840)
(Loss)/Profit before income tax	16	(335,404)	2,881,288
Income tax expense	17	3,087	(457,000)
(Loss)/Profit after income tax		(332,317)	2,424,288
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		<u>(332,317)</u>	<u>2,424,288</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Baramati Agro Singapore Pte. Ltd.

Statement of Changes in Equity

For the financial year ended March 31, 2017

	Share capital	Accumulated profits	Total
	US\$	US\$	US\$
Balance as at 01.04.2015	161,691	611,076	772,767
Total comprehensive income for the year	-	2,424,288	2,424,288
Balance as at 31.03.2016	161,691	3,035,364	3,197,055
Total comprehensive loss for the year	-	(332,317)	(332,317)
Balance as at 31.03.2017	161,691	2,703,047	2,864,738

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Baramati Agro Singapore Pte. Ltd.

Statement of Cash Flows

For the financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Cash flows from operating activities		
(Loss)/Profit before income tax	(335,404)	2,881,288
Adjustments for:		
Depreciation of plant and equipment	9,056	8,684
Interest income	(3,405)	(3,442)
Interest expense	15,980	33,840
Operating (loss)/profit before working capital changes	(313,773)	2,920,370
Inventories	(3,253,109)	(60,120)
Trade receivables	(5,069,690)	1,717,053
Other receivables	(256,663)	1,242,597
Trade payables and accruals	5,080,515	2,139,028
Other payables	(432,084)	250,783
Cash (used in)/generated from operations	(4,244,804)	8,209,711
Interest received	3,405	3,442
Income tax paid	(453,465)	(21,386)
Net cash (used in)/from operating activities	(4,694,864)	8,191,767
Cash flows from investing activities		
Purchase of plant and equipment	(4,078)	(529)
Net cash used investing activities	(4,078)	(529)
Cash flows from financing activities		
Interest paid	(15,980)	(33,840)
Net proceeds/(repayment) of short-term loan	1,943,676	(3,284,103)
Net cash from/(used in) financing activities	1,927,696	(3,317,943)
Net (decrease)/increase in cash and cash equivalents	(2,771,246)	4,873,295
Cash and cash equivalents brought forward	7,231,425	2,358,130
Cash and cash equivalents carried forward	<u>4,460,179</u>	<u>7,231,425</u>
Cash and cash equivalents comprise:-		
Cash at banks	4,460,179	7,231,425
	<u>4,460,179</u>	<u>7,231,425</u>

The annexed accounting policies and explanatory notes form an integral part of the financial statements

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

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

1 Corporate information

The Company (Registration No. 201219750C) is a private limited Company incorporated and domiciled in Singapore.

The registered and administration office of the Company is located at 64 Cecil Street, #03-03 IOB Building, Singapore 049711.

The principal activities of the Company are to carry on the business of trading in agricultural, non-agricultural, horti-cultural and other commodities.

There have been no significant changes in the nature of these activities during the financial year.

Holding company

The Company is a wholly-owned subsidiary of **Baramati Agro Limited**, a company incorporated in India, which is also the ultimate holding company.

2 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act, Chapter 50. The financial statements are expressed in Unites States Dollar (US\$), and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment 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. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer **Note 2(b)** to the financial statements).

The Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS 1 (Amendments) : Disclosure Initiative

FRS 16/ (Amendments) : Clarification of Acceptable Methods of Depreciation and
FRS 38 Amortisation

Improvements to FRSs

FRS 19 (Amendments) : Employee Benefits

FRS 107 (Amendments) : Financial Instruments: Disclosures

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies *(cont'd)*

a) Basis of preparation *(cont'd)*

The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements.

b) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgments (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Inventory valuation method

Inventory is valued at the lower of the cost and net realisable value. Cost is determined using specific identification method. Net realisable value is generally the merchandise's selling price quoted from the market of similar items. The Company reviews its inventory levels in order to identify slow-moving and obsolete merchandise. When the Company identifies items of inventory which have a market price that is lower than its carrying amount, the Company then estimates the amount of inventory loss as allowance on inventory.

Allowance for trade and other receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

c) Foreign currency transactions

(i) Functional currency

The functional currency of the Company is United States Dollar, being the currency of the primary economic environment in which it operates.

2 Significant accounting policies (cont'd)**c) Foreign currency transactions (cont'd)***(ii) Transactions and balances*

Transactions in currencies other than in United States Dollar (US\$) are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the profit or loss for the year.

d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. 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. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over its estimated useful life at the following annual rates:

Furniture & fittings	-	20%
Office equipment	-	20%
Computers & peripherals	-	33.33%

Fully depreciated assets still in use are retained in the financial statements.

f) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2 Significant accounting policies (cont'd)

f) Impairment of non-financial assets (cont'd)

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a specific identification method. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for obsolete, damaged, slow moving and defective inventories.

h) Financial instruments

Financial instruments comprise financial assets and liabilities and they are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Financial assets are classified as one of the financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Recognition

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

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

2 Significant accounting policies (cont'd)h) **Financial instruments (cont'd)**Recognition (cont'd)

As of year-end the Company has the following classes of financial assets:-

- *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as "trade and other receivables" and "cash and cash at bank" on the statement of financial position. They are presented as current assets, except for those maturities later than 12 months, after the financial position date which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortization process. For short term receivables the nominal cost would approximate the fair value.

Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if any, if in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

2 Significant accounting policies (cont'd)**h) Financial instruments (cont'd)**Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interest-bearing loans and borrowings.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for finance costs.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expire.

i) Related company

Related company refer to members of the ultimate holding company's group of companies.

j) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at banks.

k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of value added tax, rebates, discounts and sales returns.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:-

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

2 Significant accounting policies (cont'd)

k) Revenue recognition (cont'd)

Interest income

Interest income is recognised on an accrual basis.

l) Employee benefits

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

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

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

m) Finance cost

Interest expense and similar charges are expensed in the profit or loss in the year in which they are incurred.

n) Operating lease

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

o) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

2 Significant accounting policies (cont'd)

o) Income tax (cont'd)

Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

3 Plant and equipment

2017	Furniture & fittings	Office equipment	Computer & peripherals	Total
	US\$	US\$	US\$	US\$
Cost				
At April 1, 2016	40,557	472	2,441	43,470
Additions	3,295	-	783	4,078
At March 31, 2017	43,852	472	3,224	47,548
Depreciation				
At April 1, 2016	23,742	146	1,409	25,297
Charge for the year	8,163	91	802	9,056
At March 31, 2017	31,905	237	2,211	34,353
Net book value				
At March 31, 2017	11,947	235	1,013	13,195

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

3 Plant and equipment (cont'd)

<u>2016</u>	Furniture & fittings	Office equipment	Computer & peripherals	Total
	US\$	US\$	US\$	US\$
Cost				
At April 1, 2015	40,557	472	1,912	42,941
Additions	-	-	529	529
At March 31, 2016	40,557	472	2,441	43,470
Depreciation				
At April 1, 2015	15,875	54	684	16,613
Charge for the year	7,867	92	725	8,684
At March 31, 2016	23,742	146	1,409	25,297
Net book value				
At March 31, 2016	16,815	326	1,032	18,173

4 Trade receivables

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Outside parties	5,963,412	893,722

The average credit period is 30 days (2016:30 days). No interest is charged on the trade receivables due from outside parties.

The table below is an analysis of trade receivables aging as at March 31;

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Not past due	5,875,362	892,048
Past due 31 - 60 days	88,050	-
Past due more than 60 days	-	1,674
	5,963,412	893,722

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

The trade receivables that are not denominated in United States Dollar are as follows:-

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore Dollar	520	534

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

5 Other receivables

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Advance for purchases:		
- Outside parties	181,614	393,517
- Related company	53,460	-
Deposit for futures (*)	1,898,438	1,481,701
Staff advance	13,675	15,306
Prepayments	2,100	2,100
Deposit	6,837	6,837
	<u>2,156,124</u>	<u>1,899,461</u>

(*) This represents deposits and margin money placed with financial institution to hedge the price fluctuations in sugar and other commodities (refer Note 11 to the financial statements for details in the derivative financial instruments).

The other receivables that are not denominated in United States Dollar are as follows:-

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore Dollar	<u>20,512</u>	<u>22,143</u>

6 Cash at banks

The cash at banks that are not denominated in United States Dollar are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Myanmar Kyat	1	-
Singapore Dollar	<u>22,460</u>	<u>35,161</u>

7 Share capital

	<u>2017</u>	<u>2017</u>	<u>2016</u>	<u>2016</u>
	No. of shares issued	US\$	No. of shares issued	US\$
Ordinary shares issued and fully paid				
Balance at beginning and end of year	<u>200,000</u>	<u>161,691</u>	<u>200,000</u>	<u>161,691</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

8 Trade payables and accruals

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Trade payables:		
- Outside parties	2,147,332	69,405
- Holding company	8,716,020	5,610,097
Accrued expenses	166,925	270,260
	<u>11,030,277</u>	<u>5,949,762</u>

The average credit period on goods received is 30 days (2016:30 days).

The trade payables and accruals that are not denominated in United States Dollar are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Euro	-	64,765
Singapore Dollar	12,164	11,115

9 Other payables

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Sundry payables	1,489	693
Advance for sales	62,863	495,743
	<u>64,352</u>	<u>496,436</u>

The other payables that are not denominated in United States Dollar are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore Dollar	702	693

10 Bank loan

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<i>Unsecured:</i>		
Short-term loan	<u>1,943,676</u>	-

The loan is secured by standby letter of credit issued by another foreign bank, on security offered by the holding company and bear interest of about 2.5% to 3.4% per annum.

11 Derivative financial instruments

The Company enters into forward contracts or futures for commodities for hedging of anticipated future deliveries or for investment purposes when it deems the market is favourable to them.

As at end of the financial year, the Company has the following commitments:

	2017		2016	
	Notional contract value	Fair value assets/(liabilities)	Notional contract value	Fair value assets/(liabilities)
	US\$	US\$	US\$	US\$
Forward contracts				
Sale	3,706,972	354,893	4,480,273	113,382
Purchase	<u>1,999,648</u>	<u>(66,137)</u>	<u>349,494</u>	<u>(11,886)</u>
		288,756		101,496
Options				
Purchase of call	<u>1,042,720</u>	<u>(9,879)</u>	<u>-</u>	<u>-</u>
		<u>278,877</u>		<u>101,496</u>

The fair value had been determined by reference to gain/(loss) on contracts as at year end. The fair value gain/(loss) on forward contracts for the year has been recognised in the financial statements.

The fair value loss on options has not been recognised in the financial statements as the amounts is not significant.

12 Revenue

	2017	2016
	US\$	US\$
Sale of goods	<u>52,225,621</u>	<u>86,586,560</u>

13 Other income

	2017	2016
	US\$	US\$
Foreign exchange gain	-	4,000
Interest on bank accounts	3,405	3,442
Compensation received	152,820	92,640
Miscellaneous income	2,031	9,936
	<u>158,256</u>	<u>110,018</u>

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

14 Salaries and employee benefits

Salaries and employee benefits for the year ended March 31;

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Salaries and wages	277,883	427,166
CPF contribution (defined)	3,917	7,506
Employee benefits	-	18,075
	<u>281,800</u>	<u>452,747</u>

Compensation of directors and key management personnel

The remuneration of members of key management during the year were as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Salaries and other employee benefits	<u>180,336</u>	<u>310,804</u>

The key management personnel comprises directors who do not receive any short-term employee benefits during the financial year.

15 Finance cost

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Interest on bank loan	<u>15,980</u>	<u>33,840</u>

16 (Loss)/Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Cost of inventories included in cost of sales	49,922,727	80,555,970
Cost of inventories written down	584,602	-
Bad debts - trade (outside party)	755	-
Foreign exchange loss/(gain)	768	(4,000)
Hedging gain	(512,995)	(542,440)
Operating lease - office rent	<u>31,307</u>	<u>32,233</u>

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

17 Income tax expense

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Current year	-	457,000
Prior year over provision	(3,087)	-
	<u>(3,087)</u>	<u>457,000</u>

The income tax expense varies from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to (loss)/profit before income tax as a result of the following differences:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
(Loss)/Profit before income tax	<u>(335,404)</u>	<u>2,881,288</u>
Tax (benefit)/expense at rate of 17%	(57,019)	489,819
Non-deductible items	515	54
Statutory stepped income exemption	-	(18,690)
Productivity and innovation credit	(399)	(270)
Corporate tax rebate	-	(14,419)
Deferred tax arising in the year not recognised	56,903	(845)
Prior year over provision	(3,087)	-
Rounding adjustments	-	1,351
Income tax (credit)/expense for the financial year	<u>(3,087)</u>	<u>457,000</u>

As at statement of financial position date, the Company had unutilised tax losses of approximately US\$327,000 (2016:Nil) available for set off against the future taxable profits, subject to compliance with Section 37 of the Income Tax Act, Cap.134 and agreement by the Comptroller of Income Tax.

The following deferred tax asset/(liabilities) is not recognised in the financial statements:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Differences in depreciation	(2,000)	(3,000)
Unutilised tax losses	55,000	-
	<u>53,000</u>	<u>(3,000)</u>

Deferred tax assets in not recognised as quantum of future taxable profits to utilise the tax benefits is not determinable with reasonable certainty.

18 Holding company and related company transactions

Some of the Company's transactions and arrangement are with the holding company and related company and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances with these parties are unsecured, interest free and repayable on demand unless otherwise stated.

Baramati Agro Singapore Pte. Ltd.

Notes to the Financial Statements

For the financial year ended March 31, 2017

18 Holding company and related company transactions *Cont'd*

During the year, the Company entered into the following trading transactions:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<i>Holding company</i>		
Purchases	16,902,423	38,753,754
L/C charges paid	82,320	-
	<u>16,984,743</u>	<u>38,753,754</u>
<i>Related company</i>		
Purchases	342,140	-
	<u>342,140</u>	<u>-</u>

19 Operating lease commitments

As at statement of financial position date, the rental lease commitments in respect of operating leases were as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<i>Rental expense:</i>		
Within 1 year	34,282	28,660
Within 2 to 5 years	25,478	-
	<u>59,760</u>	<u>28,660</u>

20 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Financial assets		
Loans and receivables	<u>12,577,615</u>	<u>10,022,508</u>

Loans and receivables under financial assets comprise trade receivables, other receivables and cash at banks.

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Financial liabilities		
Amortised cost	<u>13,038,305</u>	<u>6,446,198</u>

Amortised cost under financial liabilities comprises trade payables and accruals, other payables and bank loan.

20 Financial instruments, financial and capital risk management (Cont'd)**(b) Fair value measurements**

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

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) 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
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The financial assets and liabilities of the Company comprise trade receivables, other receivables, cash at banks, trade payables and accruals, other payables and bank loan. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

(c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimize potential adverse effects of financial performance of the Company. Each of these risks are summarised below:

Interest rate risk

The Company's exposure to market risk for changes in interest rate relates to the Company's short term debt obligations. It is the Company's policy to obtain the most favourable interest rates available whenever the Company obtains additional financing through bank borrowings. The details of the Company's bank loan are disclosed in **Note 10** to the financial statements.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for financial instruments at statement of financial position date and the stipulated change taking place at the beginning of the financial year and had been constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 50 basis points higher or lower and all other variables been constant, the Company's profit before tax for the year ended March 31, 2017 would decrease by US\$10,000 (2016:Nil).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

20 Financial instruments, financial and capital risk management (Cont'd)

(c) Financial risk (Cont'd)

Liquidity risk (Cont'd)

The Company has no significant liquidity risk. It maintains a level of cash and cash equivalents and short term bank facilities that is sufficient for working capital purposes.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount	Cash flows		
		Contractual cash flow	Less than 1 year	Within 2 to 5 years
	US\$	US\$	US\$	US\$
<u>2017</u>				
Non-derivative financial liabilities				
Trade and other payables	11,094,629	(11,094,629)	(11,094,629)	-
Interest bearing borrowings	1,943,676	(2,009,761)	(2,009,761)	-
	<u>13,038,305</u>	<u>(13,104,390)</u>	<u>(13,104,390)</u>	<u>-</u>
Derivative financial liabilities				
Non-deliverable				
Net settlements (#)	-	-	-	-
<u>2016</u>				
Non-derivative financial liabilities				
Trade and other payables	<u>6,446,198</u>	<u>(6,446,198)</u>	<u>(6,446,198)</u>	<u>-</u>
Derivative financial liabilities				
Non-deliverable				
Net settlements (#)	-	-	-	-

(#) Refer Note 11 to the financial statements.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

As of end of financial year, the Company has a significant concentration of credit risk in relation to certain external parties. A party's balance comprise 61% (2016:99%) of the trade receivable balance. The management does not foresee any risk of default by the parties as they are creditworthy customers. Further details of credit risks on trade receivables are disclosed in Note 4 to the financial statements.

Cash at banks are placed with credit worthy financial institutions.

The carrying amounts of the Company's trade receivables, other receivables and cash at banks represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

20 Financial instruments, financial and capital risk management (Cont'd)**(c) Financial risk (Cont'd)***Foreign currency risk*

The Company has no significant exposure to foreign currency risk as its transactions and balances are denominated in its functional currency, i.e. in United States Dollar. As at financial year end, the carrying amount of monetary assets and liabilities denominated in currencies other than in United States Dollar are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

Any increase or decrease in the following foreign currencies against the United States Dollar will have an impact on the financial statements.

	<u>2017</u>	<u>2016</u>
	US\$	US\$
<i>Increase in the rate of the foreign currencies by 10% against United States Dollar will increase/(decrease) the profit before tax by the following amount:</i>		
Euro	-	(6,000)
Singapore Dollar	<u>3,000</u>	<u>5,000</u>

A corresponding decrease in the rate of foreign currencies will have a vice versa effect on the profit before tax by the same amount.

The effect of fluctuation in the other foreign currencies will have no or very minimal impact on the results of the Company.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Price risk

The Company has no significant exposure to price risk other than those arising from its forward contracts to purchase sugar and other commodities to hedge against price fluctuations. Refer **Note 11** for the financial statements for further details.

(d) Capital risk management

The management considers the capital of the Company to mainly consist of cash and cash equivalents and shareholders' equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximizing the return to shareholders through optimization of the capital.

The management's overall strategy remains unchanged from 2016.

21 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

	<u>Effective from annual periods beginning on or after</u>
FRS 7 (Amendments) : Disclosure Initiative	January 1, 2017
FRS 12 (Amendments) : Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017
FRS 40 (Amendments) : Transfers of Investment Property	January 1, 2018
FRS 102 (Amendments) : Classification and Measurement of Share-based Payment Transactions	January 1, 2018
FRS 109 : Financial Instruments	January 1, 2018
FRS 115 (Amendments) : Revenue from Contracts with Customers	January 1, 2018
FRS 116 : Leases	January 1, 2019

Improvements to FRSs

FRS 101 (Amendments) : First-time Adoption of Financial Reporting Standards	January 1, 2018
--	-----------------

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

22 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on June 28, 2017.

Baramati Agro Singapore Pte. Ltd.

The Accompanying Supplementary Detailed Income

Statement Has Been Prepared For Management Purposes Only

And Does Not Form Part Of The Audited Financial Statements

Baramati Agro Singapore Pte. Ltd.
Detailed Income Statement

For the financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Revenue		
Sale of goods	<u>52,225,621</u>	<u>86,586,560</u>
Other income		
Foreign exchange gain	-	4,000
Interest on bank accounts	3,405	3,442
Compensation received	152,820	92,640
Miscellaneous income	<u>2,031</u>	<u>9,936</u>
	<u>158,256</u>	<u>110,018</u>
Changes in inventories		
Inventories at beginning of year	(60,120)	-
Less: Inventories at end of year	<u>3,313,229</u>	<u>60,120</u>
	<u>3,253,109</u>	<u>60,120</u>
Cost of purchases		
Purchases	(53,760,438)	(80,616,090)
Certification charges	(7,504)	-
Document processing charges	(83,005)	(51,806)
Freight charges	(1,915,950)	(2,888,783)
Hedging gain	512,995	542,440
Loading and unloading charges	-	(3,245)
Marine charges	<u>(32,571)</u>	<u>(39,661)</u>
	<u>(55,286,473)</u>	<u>(83,057,145)</u>
Salaries and employee benefits		
Salaries and wages	(277,883)	(427,166)
CPF contribution (defined)	(3,917)	(7,506)
Employee benefits	-	(18,075)
	<u>(281,800)</u>	<u>(452,747)</u>
Depreciation of plant and equipment	<u>(9,056)</u>	<u>(8,684)</u>
Other operating expenses		
Bad debts - trade (outside party)	(755)	-
Bank charges	(85,682)	(71,292)
Brokerage and commission	(96,002)	(32,980)
Business promotion	(10,000)	(24,000)

..... Cont'd

Baramati Agro Singapore Pte. Ltd.
Detailed Income Statement

For the financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Other operating expenses (Cont'd)		
Commission on sales	(90,087)	(94,362)
Foreign exchange loss	(768)	-
General expenses	(10,447)	(18,404)
Legal and professional fees	(19,145)	(19,984)
Membership and subscription fees	(297)	(660)
Office rent	(31,307)	(32,233)
Postage and courier	(1,414)	(2,148)
Printing and stationery	(902)	(440)
Secretarial fees	(450)	-
Travelling expense	(24,842)	(18,309)
Telephone expense	(5,668)	(6,777)
Utilities	(1,315)	(1,405)
	<u>(379,081)</u>	<u>(322,994)</u>
Finance cost		
Interest on bank loan	<u>(15,980)</u>	<u>(33,840)</u>
(Loss)/Profit before income tax	(335,404)	2,881,288
Income tax expense		
- Current year	-	(457,000)
- Prior year over provision	3,087	-
(Loss)/Profit after income tax	<u>(332,317)</u>	<u>2,424,288</u>
Other comprehensive income	-	-
Total comprehensive (loss)/income for the year	<u><u>(332,317)</u></u>	<u><u>2,424,288</u></u>

Not Part Of Audited Financial Statements