MRF SG PTE. LTD.
(Company Registration No: 201421655R)
(Incorporated in the Republic of Singapore)

Audited Financial Statements For The Financial Year Ended 31 March 2018

Directors :	Kandathil Mammen Mammen Arun Mammen Rahul Mammen Mappillai Koyikal Thomas Easow @ Koikal Robin Thomas
Registered Office:	11 Collyer Quay #10-15 The Arcade Singapore 049317
Auditors:	K.C. CHAN & CO PAC Public Accountants and Chartered Accountants of Singapore

CONTENTS **PAGE**

Directors' Statement	2-3
Independent Auditors' Report	4-6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-38

The directors are pleased to present their statement to the member together with the audited financial statements of MRF SG PTE. LTD. (the "Company") for the financial year ended 31 March 2018.

1. Opinion of Directors

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 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the financial year then ended; 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 has, on the date of this statement, authorised these financial statements for issue.

2. Directors

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

Kandathil Mammen Mammen
Arun Mammen
Rahul Mammen Mappillai
Koyikal Thomas Easow @ Koikal Robin Thomas

3. Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, 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.

4. Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations.

5. Share Options

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

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

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

6. Auditors

The auditors, K.C. CHAN & CO PAC, Public Accountants and Chartered Accountants of Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

Kandathil Mammen Mammen
Director

Arun Mammen
Director

Rahul Mammen Mappillai
Director

Dated: 27 APR 2018

K. C. CHAN & CO PAC
Public Accountants and Chartered Accountants of Singapore

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MRF SG PTE. LTD.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

Report on the Financial Statements

Opinion

We have audited the financial statements of MRF SG PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2018, the statement 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 Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2018 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 (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We 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 2 to 3].

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 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.

MRF SG PTE. LTD.
INDEPENDENT AUDITOR'S REPORT (Cont'd)

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

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

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

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

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

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

MRF SG PTE. LTD.
INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements. (Cont'd)

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.

K. C. CHAN & CO PAC
Public Accountants and
Chartered Accountants

Singapore, 27 APR 2018

MRF SG PTE. LTD.

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

	Note	2018 US$	2017 US$
Turnover	12	204,082,327	141,783,590
Other income	13	46,251	6,069
		204,128,578	141,789,659
Purchase of traded goods		(193,026,937)	(131,623,459)
Employee benefits expenses	14	(238,827)	(200,846)
Depreciation		(1,681)	(1,671)
Finance costs	15	(1,397,597)	(922,963)
Other expenses	16	(4,564,295)	(5,990,660)
Profit before taxation		4,899,241	3,050,060
Income tax expenses	17	(482,680)	(333,345)
Profit for the year, representing total comprehensive income for the year		4,416,561	2,716,715

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

MRF SG PTE. LTD.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

ASSETS	**Note**	**2018 US$**	**2017 US$**
Non-current assets			
Property, plant and equipment	2	1,667	3,348
Sundry deposit		19,092	19,092
		20,759	22,440
Current assets			
Trade receivables	3	73,111,875	44.231,599
Other receivables	4	3,451,035	668,024
Cash and cash equivalents	5	11,511,535	7,338,424
		88,074,445	52,238,047
Total assets		88,095,204	52,260,487
EQUITY AND LIABILITIES			
Equity attributable to owners of the company			
Share capital	6	1,008,005	1,008,005
Retained earnings		11,364,086	6,947,525
Total equity		12,372,091	7,955,530
Current liabilities			
Trade payables	7	4,023,019	95,440
Accruals	8	349,953	186,149
Amounts owing to bankers	9	70,607,268	40,214,070
Derivative	10	260,193	3,475,953
Provision for taxation	11	482,680	333,345
		75,723,113	44,304,957
Total equity and liabilities		88,095,204	52,260,487

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

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

	Share Capital	Retained Earnings	Total Equity
	US$	US$	US$
Balance at 1 April 2016	1,008,005	4,230,810	5,238,815
Total comprehensive income for the financial year	-	2,716,715	2,716,715
Balance at 31 March 2017	1,008,005	6,947,525	7,955,530
Total comprehensive income for the financial year	-	4,416,561	4,416,561
Balance at 31 March 2018	1,008,005	11,364,086	12,372,091

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

MRF SG PTE. LTD.

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

	2018 US$	2017 US$
Cash flows from operating activities		
Profit after taxation	4,416,561	2,716,715
Adjustments for:		
Depreciation	1,681	1,671
Loss on foreign exchange	473,874	1,833,728
Income tax expense	482,680	333,345
Interest expenses	1,220,803	811,848
Operating profit before working capital changes	6,595,599	5,697,307
(Increase) / decrease in receivables	(31,876,511)	18,661,153
Increase in payables	453,748	95,440
Cash (used in) / generated from operations	(24,827,164)	24,453,900
Income tax paid	(333,345)	(779,765)
Net cash (used in) / generated from operating activities	(25,160,509)	23,674,135
Cash flows from financing activities		
Proceeds from loan	192,042,327	130,539,825
Repayment of loan	(161,649,129)	(150,198,787)
Interest paid	(1,059,121)	(803,155)
Net cash generated from/ (used in) financing activities	29,334,077	(20,462,117)
Net increase in cash and cash equivalents	4,173,568	3,212,018
Cash and cash equivalents at the beginning of financial year	7,338,424	4,135,358
Effects of currency translation on cash and cash equivalents	(457)	(8,952)
Cash and cash equivalents at the end of financial year	11,511,535	7,338,424

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

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

1. Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards (FRS). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 01 April 2017, including the Amendments to FRS 7 Disclosure Initiative. The adoption of these standards did not have any effect on the financial performance or position of the Company.

Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40 Transfers of Investment Property	1 January 2018
FRS 109 Financial Instruments	1 January 2018
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 Leases	1 January 2019
Improvements to FRSs (December 2016) - Amendments to FRS 28 Investments in Associates and Joint Ventures	1 January 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 January 2018
INT FRS 123 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

1. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt instruments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.

- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

1. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

FRS 109 Financial Instruments (Cont'd)

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

RS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

FRS 116 Leases

FRS 116 was issued in July 2016 and will supersede FRS 17 Leases and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 Revenue from Contracts with Customers is also applied. Both lessor and lessee are required to retrospectively apply FRS 116's requirements upon application. However, FRS 116 provides an option for a modified retrospective approach and certain practical expedients. The Company is currently assessing the impact of FRS 116 and plans to adopt the standard on the required effective date.

1. Significant Accounting Policies (Cont'd)

(a) Basis of Preparation (Cont'd)

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 Revenue, FRS 11 Construction Contracts and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(c) Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in Singapore where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

1. Significant Accounting Policies (Cont'd)

(c) Taxes (Cont'd)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

1. Significant Accounting Policies (Cont'd)

(c) Taxes Cont'd)

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

(d) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers and printers: 5 years
Office equipment: 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss statement in the year the asset is derecognised.

(e) Lease

Leasee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

1. Significant Accounting Policies (Cont'd)

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(g) Employee Benefits

(i) Defined contribution plans

The Company participates in the national pension schemes as defined by the laws in Singapore in which it has operations. The Company make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees up to the statement of financial position date, if any.

(iii) Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefits is recognised at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognises related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employment benefits, shortterm employee benefits, or other long-term employee benefits.

1. Significant Accounting Policies (Cont'd)

(h) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

(i) Foreign Currency

The financial statements are presented in United States Dollar (US$), which is also the Company's functional currency.

Transactions and balances - Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(j) Borrowings Costs

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Share Capital

Ordinary shares

Ordinary shares are classified as equity.

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

1. Significant Accounting Policies (Cont'd)

(l) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(m) Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(ii) a present obligation that arises from past events but is not recognised because: -

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

1. Significant Accounting Policies (Cont'd)

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Financial Instruments

(i) Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

The subsequent measurement of financial assets depends on their classification as follow: -

Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

1. Significant Accounting Policies (Cont'd)

(o) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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 marketplace concerned.

Impairment of Financial Assets

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.
If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

1. Significant Accounting Policies (Cont'd)

(o) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Impairment of Financial Assets (Cont'd)

Financial Assets Carried At Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(ii) Financial Liabilities

Initial Recognition and Measurement

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

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

Subsequent Measurement

The measurement of financial liabilities depends on their classification as follow:-

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

1. Significant Accounting Policies (Cont'd)

(o) Financial Instruments (Cont'd)

(ii) Financial Liabilities (Cont'd)

Subsequent Measurement (Cont'd)

Other Financial Liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

(iii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial positions, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(p) Derivative financial instruments, including hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Company formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Company makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 -125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivative financial instruments are initially recognised at fair value; any attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivative are measured at their fair value at the end of each reporting period.

A derivative financial instrument is carried as an asset when the fair value is positive and as a liability when the fair value is negative.

1. Significant Accounting Policies (Cont'd)

(p) Derivative financial instruments, including hedge accounting (Cont'd)

Any gains or losses arising from changes in fair value are recognised immediately in the profit or loss, unless they qualify for hedging accounting.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated in a fair value hedge are recognised in profit or loss. The hedged item is adjusted to reflect changes in its fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in profit or loss with an adjustment to the carrying amount of the hedged item.

(q) Related Parties

A related party is defined as follow:-

(a) A person or a close member of that person's family is related to the Company if that person:-

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

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

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

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint venture of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

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

2. Property, Plant and Equipment

	Computer and printers US$	Office equipment US$	Total US$
Cost			
At 01.04.2016	5,493	1,671	7,164
Additions	-	-	-
Disposals	-	-	-
At 31.03.2017	5,493	1,671	7,164
Additions	-	-	-
Disposals	-	-	-
At 31.03.2018	5,493	1,671	7,164
Accumulated Depreciation			
At 01.04.2016	1,738	407	2,145
Depreciation for the year	1,250	421	1,671
Disposals	-	-	-
At 31.03.2017	2,988	828	3,816
Depreciation for the year	1,260	421	1,681
Disposals	-	-	-
At 31.03.2018	4,248	1,249	5,497
Net carrying value			
At 31.03.2018	1,245	422	1,667
At 31.03.2017	2,505	843	3,348

3. Trade Receivable

	2018 US$	2017 US$
Holding company	73,111,875	44,231,599

The average credit period on sales of goods is 5 months (2017: 5 months). No interest is charged on the outstanding trade receivable.

4. Other Receivables

	2018 US$	2017 US$
Advances paid to suppliers	3,451,035	444,666
Claim		
- Holding company	-	164,304
- Third parties	-	59,054
	3,451,035	668,024

The average credit period are 30 days (2017: 30 days). No interest is charged on the outstanding receivables.

5. Cash and Cash Equivalents

	2018 US$	2017 US$
Cash at banks	11,511,535	7,338,424

Cash at bank earns no interest.

6. Share Capital

	2018		2017	
	Number of shares	US$	Number of shares	US$
Issued and fully paid:				
Ordinary shares	1,273,200	1,008,005	1,273,200	1,008,005

All issued ordinary share are fully paid. There is no par value for the ordinary shares.

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.

7. Trade Payables

	2018 US$	2017 US$
Third parties	4,023,019	95,440

Trade payables are non-interest bearing and are normally settled on 60 days (2017: 60 days). No interest is charged on the trade payables.

8. Accruals

	2018 US$	2017 US$
Accruals		
- Audit and tax fees	22,432	19,701
- Interest	327,521	165,839
- Others	-	609
	349,953	186,149

9. Amount Owing To Bankers

	2018 US$	2017 US$
Loan from The Bank of Tokyo-Mitsubishi UFJ, Ltd ("BOTM")	30,498,179	5,365,976
Loan from Citibank N.A., Singapore Branch ("Citibank")	8,205,965	20,411,177
Loan from DBS Bank Ltd ("DBS")	31,903,124	14,436,917
	70,607,268	40,214,070

Loans from BOTM, Citibank and DBS are backed by way of letter of comfort from holding company, namely MRF Limited. The loans are repayable in full within 3 to 7 months (2017: 1 to 7 months) from the drawdown date.

Interest for loan from BOTM is chargeable at 0.25% per annum (2017: 0.40%) above the ICE USD LIBOR. During the financial year, interest charged at approximate 1.60% - 2.66% per annum (2017: 1.01% - 1.63%).

Interest for loan from Citibank is chargeable at 0.20% and 0.25% per annum (2017: 0.30%) above the ICE USD LIBOR. During the financial year, interest charged at approximate 1.43% - 2.65% per annum (2017: 0.78% - 1.63%).

Interest for loan from DBS is chargeable at 0.25% per annum (2017: 0.30%) above the ICE USD LIBOR. During the financial year, interest charged at approximate 1.50% - 2.68% per annum (2017: 0.71% - 1.68%).

10. Derivative

	2018		2017	
	Contract Amount US$	Liabilities US$	Contract Amount US$	Liabilities US$
Forward currency contracts	30,593,135	260,193	64,301,402	3,475,953

Forward currency contracts are used to hedge foreign currency risk arising from the Company's sales denominated in Indian Rupee ("INR") for which firm commitments existed at the end of the reporting period.

11. Provision for Taxation

	2018 US$	2017 US$
Balance at beginning of year	333,345	779,765
Tax charged to statement of comprehensive income:		
- Current year's tax expense on profit	482,680	333,345
Income tax paid	(333,345)	(779,765)
Balance at end of year	482,680	333,345

12. Turnover

	2018 US$	2017 US$
Sale of goods	204,082,327	141,783,590

13. Other income

	2018 US$	2017 US$
Interest income	45,591	5,316
Government grants	660	753
	46,251	6,069

14. Employee Benefits Expenses

	2018 US$	2017 US$
CPF & other contribution	16,017	13,910
Salaries, bonus, allowances	222,810	186,936
	238,827	200,846

15. Finance Costs

	2018 US$	2017 US$
Bank charges	176,794	111,115
Loan interest	1,220,803	811,848
	1,397,597	922,963

16. Other Expenses

This is determined after charging the following:-	2018 US$	2017 US$
Director's fee	13,356	13,143
Loss on foreign exchange	4,388,313	5,845,137
Rental	65,989	66,397
Miscellaneous expenses	96,637	65,983
	4,564,295	5,990,660

17. Income Tax Expense

	2018 US$	2017 US$
Statement of comprehensive income:		
- Current year's tax expense on profit	482.680	333,345

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

	2018 US$	2017 US$
Profit before tax	4,899,241	3,050,060
Tax expense on profit before tax at 17%	832,871	518,510
Adjustments:		
Tax effect on non-deductible expenses	88	135
Tax effect on change in temporary differences	286	284
Tax effect resulted from concessionary rate	(343.018)	(159,668)
Tax effect on exempt amount	(150)	(18,702)
Tax effect on tax rebate	(7,397)	(7,214)
Total tax expense	482,680	333,345

18. Lease Commitments

Operating lease commitments – where the company is the lessee

As at statement of financial position, the Company leases office under lease agreement that is non-cancellable. Future minimum lease payable under non-cancellable operating lease as at year end are as follows:

	2018 US$	2017 US$
Not later than one year	28,398	64,064
Later than one year but not later than five years	-	26,693
	28,398	90,757

19. (a) Related Parties Transactions

The Company has the following significant intercompany transactions entered with its related parties and the effect of these transactions at terms agreed between the parties are reflected in these financial statements:

	2018 US$	2017 US$
Sales to holding company	204,082,327	141,783,590

19. (b) Key Management Remuneration

Key management's remuneration includes salary and other emoluments computed based on the cost incurred by the company and where the company did not incur any costs, the value of the benefit is included. The key management's remuneration is as follow:

	2018 US$	2017 US$
Director's fee	13,356	13,143

The above cost includes key management personnel. These key management personnel is holding managerial position and above.

20. Financial Risk Management

The Company's activities expose it to credit risk, liquidity risk, capital risk and market risk (pertaining to price risk, interest rate risk and currency risk). The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) Capital Management

The Company's objectives when managing capital are:

(a) To safeguard the Company's ability to continue as a going concern;
(b) To support the Company's stability and growth;
(c) To provide capital for the purpose of strengthening the Company's risk management capability; and
(d) To provide an adequate return to shareholders.

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder return, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

	2018 US$	2017 US$
Trade payables	4,023,019	95,440
Derivatives	260,193	3,475,953
Amounts owing to bankers	70,607,268	40,214,070
	74,890,480	43,785,463
Cash and cash equivalents (Note 5)	(11,511,535)	(7,338,424)
	63,378,945	36,447,039
Equity	12,372,091	7,955,530
Debt to equity ratio	5.12	4.58

20. Financial Risk Management (Cont'd)

(b) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company ensures that sales of products are made to customers with appropriate credit history and have internal mechanisms to monitor the granting of credit and management of credit exposures. The Company has made provisions for potential losses on credits extended, as applicable. The Company's maximum exposure to credit risk in the event the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amounts of each class of financial assets recognised in the statement of financial position.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of Company's customers to make payments when due.

The ageing analysis of receivables is as follows:

	2018 US$	2017 US$
Less than 31 days	11,883,537	6,383,877
31 - 60 days	14,709,728	2,704,737
61 - 90 days	10,744,682	9,413,238
91 - 180 days	34,663,117	25,953,105
More than 180 days	1,110,811	-
	73,111,875	44,454,957

(c) Liquidity Risk

The Company monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. Such liquidity risks are minimised by the amount of cash and bank balances as stated in Note 5.

(d) Market Risk

(i) Price risk

The Company has no exposure to equity price risk as it does not hold equity financial assets that are exposed to price risk.

20. Financial Risk Management (Cont'd)

(d) Market Risk (Cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Company's financial conditions and / or results. The primary source of the Company's interest rate risk is its borrowings from banks in Singapore. The Company incurs net financing costs during the year.

The Company ensures that it obtains borrowings at competitive interest rates.

The following table sets out the carrying amount of the Company's financial instruments, that are exposed to interest rate risk:

	2018	2017
	US$	US$
Floating rates		
Amounts owing to bankers	70,607,268	40,214,070

Interest in financial instruments subject to floating interest rates is repriced regularly. Interests on financial instruments at fixed rates are fixed until the maturity of the instruments. The other financial instruments of the Company that are not included in the above table are not subject to interest rate risks.

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting periods in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If the interest rates had been 1% higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2018 would decrease / increase by an average of US$734,822 (2017: US$589,201). This is attributable to the Company's exposure to interest rates on its variable rates on the average outstanding amounts owing to bankers over 12 months.

(iii) Foreign currency risk

The Company is exposed to currency risk on sales that are denominated in a currency other than the functional currency of the Company. The currencies in which these transactions primarily are denominated are the Singapore dollar (SGD) and Indian Rupee (INR).

At any point in time, the Company hedges 100% of all trade receivables denominated in a foreign currency. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts generally are designated as fair value hedges.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

20. Financial Risk Management (Cont'd)

(d) Market Risk (Cont'd)

(iii) Foreign currency risk (Cont'd)

The summary of quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	INR	SGD
	US$	US$
Year 2018		
Trade receivables	30,958,929	-
Sundry deposit	-	19,092
Cash and cash equivalents	-	8,387
Other payable and accruals	-	(22,432)
	30,958,929	5,047
Forward currency contracts	(30,593,135)	-
Net exposure	365,794	5,047

	INR	SGD
	US$	US$
Year 2017		
Trade receivables	44,231,599	-
Sundry deposit	-	19,092
Cash and cash equivalents	-	12,640
Other payable and accruals	-	(20,340)
	44,231,599	11,392
Forward currency contracts	(41,297,032)	-
Net exposure	2,934,567	11,392

Sensitivity Analysis

It is estimated that a ten percentage point strengthening in foreign currency against the United States Dollar would decrease the Company's profit before tax and revenue reserves by US$37,084 (2017: US$294,596). A ten percentage point weakening in foreign currency against the United States Dollar would have an equal but opposite effect. The analysis assumed that all other variables, in particular interest risk, remain constant.

21. Fair Value of Assets and Liabilities

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties.

(a) *Fair value hierarchy*

The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Company can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(c) *Cash and cash equivalents, other receivables and accruals*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

(c) *Trade receivables and trade payables*

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

(d) *Amount owing to bankers*

The carrying amounts of amount owing to bankers approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

21. Fair Value of Assets and Liabilities (Cont'd)

(e) *Assets at fair value*

The following table shows an analysis of the assets measured at fair value:

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Unobservable inputs (Level 3)	Total
2018	**US$**	**US$**	**US$**	**US$**
Derivatives				
Forward currency contracts	-	260,193	-	260,193

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Unobservable inputs (Level 3)	Total
2017	**US$**	**US$**	**US$**	**US$**
Derivatives				
Forward currency contracts	-	3,475,953	-	3,475,953

22. Critical Accounting Estimates, Assumptions and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They 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.

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgment as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

22. Critical Accounting Estimates, Assumptions and Judgments (Cont'd)

(a) Impairment of loans and receivables (Cont'd)

Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

Allowances for impairment loss and bad debts are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment loss and bad debts requires the use of judgments and estimates. Where expectation is different from original estimate, such difference will impact the carrying value of trade and other receivables and impairment loss expenses in the period in which such estimate have been changed.

(b) Uncertain tax positions

Significant judgment is involved in determining the capital allowance and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amount of the Company's income tax liabilities at 31 March 2018 was approximately US$482,680 (2017: US$333,345).

23. Financial Instruments by Category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities were as follows:-

	2018	**2017**
	US$	**US$**
Loans and receivables		
Sundry deposit	19,092	19,092
Trade receivables	73,111,875	44,231,599
Other receivables	-	223,358
Cash and cash equivalents	11,511,535	7,338,424
	84,642,502	51,812,473
Financial liabilities at amortised cost		
Amounts owing to bankers	70,607,268	40,214,070
Trade payables	4,023,019	95,440
Accruals	349,953	186,149
Derivative	260,193	3,475,953
	75,240,433	43,971,612

24. Holding Company

The immediate and ultimate holding company is MRF Limited, a company incorporated in India.

25. General

The Company is incorporated in the Republic of Singapore with its registered office and principal place of business at situated 11 Collyer Quay, #10-15 The Arcade, Singapore 049317.

The principal activities of the Company are those of sourcing and supplying materials.

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

26. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MRF SG PTE. LTD. on 27 APR 2018

MRF SG PTE. LTD.
Company Registration: 201421655R
Detailed Statement of Comprehensive Income
For the financial year ended 31 March 2018

	2018 US$	2017 US$
TURNOVER	204,082,327	141,783,590
OTHER INCOME	46,251	6,069
	204,128,578	141,789,659
LESS: EXPENSES		
Purchase of traded goods	(193,026,937)	(131,623,459)
Employee benefits expenses		
Salaries, bonus and allowances	(222,810)	(186,936)
CPF & other contributions	(16,017)	(13,910)
	(238,827)	(200,846)
Depreciation	(1,681)	(1,671)
Finance costs		
Bank charges	(176,794)	(111,115)
Loan interest	(1,220,803)	(811,848)
	(1,397,597)	(922,963)
Other expenses		
Auditor remuneration	(20,081)	(17,980)
Directors' fee	(13,356)	(13,143)
Insurance	(3,055)	(2,968)
Loss on foreign exchange	(4,388,313)	(5,845,137)
Miscellaneous expenses	(40,564)	(10,371)
Personnel selection expense	(6,361)	-
Postage & courier	(5,243)	(5,316)
Rental	(65,989)	(66,397)
Stamp & registration fees	-	(532)
Tax fees	(3,512)	(3,323)
Telecommunication	(3,177)	(4,414)
Travelling expenses	(14,644)	(21,079)
	(4,564,295)	(5,990,660)
PROFT BEFORE TAX	**4,899,241**	**3,050,060**
Current year income tax expense	(482,680)	(333,345)
PROFIT AFTER TAX REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**4,416,561**	**2,716,715**

This statement does not form part of the audited statutory financial statements of the Company