

DHAMPUR INTERNATIONAL PTE. LTD.

(Registration number: 200912388N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

DHAMPUR INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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DHAMPUR INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of **DHAMPUR INTERNATIONAL PTE. LTD.** (the "company") for the financial year ended 31 March 2016.

1. OPINION OF THE 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 2016 and the financial performance, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, with the continued financial support from its holding company, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

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

Gaurav Goel
Gautam Goel
Samir Thukal
Siti Dayana Binte Muhammad Zalmisham

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose 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 AND DEBENTURES

The directors who held office at the end of the financial period had no interests in the share capital of the company as recorded in the register of director's shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50.

DHAMPUR INTERNATIONAL PTE. LTD.

DIRECTORS' STATEMENT – cont'd

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 an option 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. AUDITOR

Rama & Co. has expressed its willingness to accept re-appointment as auditor.

On behalf of the Directors



.....
Gaurav Goel
Director



.....
Gautam Goel
Director

Date: 10 May 2016





Rama & Co

**Public Accountants &
Chartered Accountants
Singapore**

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DHAMPUR INTERNATIONAL PTE. LTD.

Report on the financial statements

We have audited the accompanying financial statements of **DHAMPUR INTERNATIONAL PTE. LTD.**, which comprises the statement of financial position as at 31 March 2016, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Independent Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DHAMPUR INTERNATIONAL PTE. LTD. – cont'd**

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the company for the financial year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements. The company incurred a net loss of **US\$929,250** for the year ended 31 March 2016 and, as of the date, the company's total liabilities exceeded its total assets by **US\$137,578**. These factors indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The ability of the company to continue as a going concern depends on the holding company undertaking to provide continuing financial support to enable the company to continue as a going concern. The directors are satisfied the financial support will be available when required.

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.

RAMA & CO

RAMA & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

Date: 10 May 2016



DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	<u>Note</u>	<u>2016</u> <u>US\$</u>	<u>2015</u> <u>US\$</u>
ASSETS			
Non-current assets:			
Plant and equipment	(7)	208,999	288,278
Investment in subsidiary	(8)	-	1,000
Total non-current assets		<u>208,999</u>	<u>289,278</u>
Current assets:			
Available-for-sale investment	(9)	-	-
Cash and bank balances	(10)	1,133,295	419,684
Trade and other receivables	(11)	2,718,809	1,567,721
Other current assets	(12)	28,739	21,178
Total current assets		<u>3,880,843</u>	<u>2,008,583</u>
Total assets		<u>4,089,842</u>	<u>2,297,861</u>
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	(13)	2,007,609	2,007,609
Fair value reserve	(14)	-	-
Accumulated losses		<u>(2,145,187)</u>	<u>(1,215,937)</u>
Total (deficiency)/equity		<u>(137,578)</u>	<u>791,672</u>
Non-current liabilities:			
Finance lease	(15)	<u>77,381</u>	<u>103,239</u>
Current liabilities:			
Current portion of finance lease	(15)	27,835	26,679
Trade and other payables	(16)	<u>4,122,204</u>	<u>1,376,271</u>
Total current liabilities		<u>4,150,039</u>	<u>1,403,150</u>
Total liabilities		<u>4,227,420</u>	<u>1,506,189</u>
Total equity and liabilities		<u>4,089,842</u>	<u>2,297,861</u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	<u>Note</u>	<u>2016</u> US\$	<u>2015</u> US\$
Revenue	(17)	29,556,890	20,552,640
Cost of goods sold		<u>(29,410,409)</u>	<u>(20,405,157)</u>
Gross profit		146,481	147,483
Other income	(18)	264,465	16,901
Marketing and distribution expenses		(308,987)	(63,541)
Administrative expenses		(943,787)	(684,901)
Finance costs	(19)	(3,410)	(332)
Other expenses		<u>(84,012)</u>	<u>(105,442)</u>
Loss before income tax		(929,250)	(689,832)
Income tax expense	(20)	<u>-</u>	<u>-</u>
Loss for the year	(21)	(929,250)	(689,832)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
- Available-for-sale investment	(14)	<u>-</u>	<u>(2,276)</u>
Total comprehensive loss for the year		<u><u>(929,250)</u></u>	<u><u>(692,108)</u></u>

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Share capital US\$	Fair value reserve	Retained earnings US\$	Total US\$
Balance as at 1 April 2014	2,007,609	2,276	(526,105)	1,483,780
Total comprehensive loss for the year	-	(2,276)	(689,832)	(692,108)
Balance as at 31 March 2015	2,007,609	-	(1,215,937)	791,672
Total comprehensive loss for the year	-	-	(929,250)	(929,250)
Balance as at 31 March 2016	2,007,609	-	(2,145,187)	(137,578)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	<u>2016</u> US\$	<u>2015</u> US\$
Cash flows from operating activities:		
Loss before income tax	(929,250)	(689,832)
Adjustment for:		
Depreciation of plant and equipment	79,279	79,279
Fair value gain on available-for-sale investments	-	(2,276)
Surplus on disposal of available -for-sale investment	-	(12,998)
Interest income	(91,517)	(342)
Dividend income	-	(2,398)
Finance cost	3,410	332
	(938,078)	(628,235)
Operating loss before working capital changes	(938,078)	(628,235)
Trade receivables	421,983	589,531
Other current assets	(7,561)	(12,182)
Trade payables	501,456	659,454
	(22,000)	608,568
Net cash (used in)/from operating activities	(22,000)	608,568
Investing activities:		
Other receivables	(1,573,071)	51,248
Acquisition of additional shares in subsidiary	(7,245)	-
Proceeds from disposal of investment in subsidiary	8,245	-
Proceeds from disposal of available-for-sale investment	-	216,786
Purchase of motor vehicles	-	(225,287)
Interest income	91,517	342
Dividend income	-	2,398
	(1,480,554)	45,487
Net cash (used in)/from investing activities	(1,480,554)	45,487
Financing activities:		
Interest expenses	(3,410)	(332)
Other creditors	2,244,477	(994,663)
Repayment of finance lease	(24,702)	(4,811)
	2,216,365	(999,806)
Net cash from/(used in) financing activities	2,216,365	(999,806)
Net increase/(decrease) in cash and bank balances	713,611	(345,751)
Cash and bank balances at beginning of year	419,684	765,435
Cash and bank balances at end of year	1,133,295	419,684

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2016

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

1. GENERAL

a) Corporate information

Dhampur International Pte. Ltd. ("the company") (Registration number: 200912388N) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

39 Amoy Street
Singapore 069865

The principal activities of the company are to carry on business of general importers and exporters and investment in financial instruments.

b) Going concern assumption

The company incurred a net loss of **US\$929,250** for the financial year ended 31 March 2016 and, as of the date, the company's total liabilities exceeded its total assets by **US\$137,578**. These factors indicate the existence of an uncertainty which may affect the validity of the going concern assumption on which the accompanying financial statements are prepared.

The holding company has agreed to provide continuing financial support to the company to enable the Company to meet its obligations as and when the need arises. In addition to that, the holding company will allow the Company to defer the repayment of amount due to the holding company until such time as the company's cash flow enables such payments.

The directors are of the view that it is appropriate to prepare these financial statements on a going concern basis on the assumption that the Company will generate adequate cash flows from operations and will continue to receive continuing financial support from the holding company.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ from the amounts at which they are currently recorded in the statement of financial position.

b) Authorisation of financial statements for issue

The financial statements of the company for the period ended 31 March 2016 were authorised for issue in accordance with the director's resolution dated 10 May 2016.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption 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 revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting judgements estimates and assumptions used that are significant to the financial statements are areas involving a higher degree of judgements or complexity are disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs and INT FRSs that are relevant to the company's operations were issued but not effective are as follows:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1	Presentation of financial statements Disclosure Initiative (Amendments)	1 January 2016
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 16 and FRS 38	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments)	1 January 2016
FRS 109	Financial Instruments - Illustrated examples - Implementation Guidance - Amendments to Guidance on other standards	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
Improvements to FRSs: (issued in November 2014)		
- Related to:		
	- FRS 19: Employee Benefits	1 January 2016
	- FRS 107: Financial Instruments: Disclosures	1 January 2016

Consequential amendments were also made to various standards as a result of these new or revised standards.

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as described below:

i) FRS 1 Presentation of Financial Statements: Disclosure Initiative (Amendments)

Amendments have been made to the following:

Materiality and aggregation – An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.

Statement of financial position and statement of profit and loss and other comprehensive income – The lists of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.

Presentation of items of other comprehensive income (“OCI”) arising from equity-accounted investments – An entity’s share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassification to profit or loss.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

i) FRS 1 Presentation of Financial Statements: Disclosure Initiative (Amendments) – cont'd

Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes.

Management is currently evaluating the potential impact of the application of these amendments to FRS 1 on the financial statements of the company in the period of initial application.

ii) Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to FRS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to FRS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Company uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to FRS 16 and FRS 38 will have a material impact on the Company's financial statements.

iii) FRS 115 – Revenue from Contracts with Customers

FRS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contract that are within the scope of the standards on leases, insurance contracts and financial instruments). FRS 115 replaces the previous revenue Standards: FRS 18 Revenue and FRS 11 *Construction Contracts*, and the related interpretations on revenue recognition; INT FRS 115 *Agreements for the Construction of Real Estate*; INT FRS 118 *Transfers of Assets from Customers*; and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*. It is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Company is currently determining the impact of these amendments.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2. Changes in Accounting Policies – cont'd

b) Standards issued but not yet effective – cont'd

iv) FRS 109 – Financial Instruments

FRS 109 was introduced to replace FRS 39 Financial Instruments: Recognition and Measurement. FRS 109 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. This standard also provides a simplified hedge accounting model that will align more closely with the entity's risk management strategies. The standard is effective for annual period beginning on or after 1 January 2018. The Company is currently determining the impact of this standard.

v) Improvements to Financial Reporting Standards (November 2014)

<u>Standard</u>	<u>Topic</u>	<u>Key amendment</u>
<i>FRS 107 Financial Instruments: Disclosures</i>	Servicing contracts	Provides additional guidance to clarify whether a servicing contract results in continuing involvement in a transferred asset for the purpose of determining the disclosures required
	Applicability of the amendments to FRS 107 to condensed interim financial statements	Clarifies that the offsetting disclosures are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with FRS 34 Interim Financial Reporting.

Management is currently evaluating the impact of the above FRSs and amendments to FRSs on the financial statements of the Company.

2.3. Plant and Equipment

a) Measurement

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses if any.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3. Plant and Equipment – cont'd

b) Component of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

c) Depreciation

Depreciation is calculated on the straight line method and to write off the cost of the assets over their estimated useful lives of three years as follows:

	<u>Years</u>
Furniture and fittings	3
Office equipments	3
Motor vehicles	5

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values and useful life plant and equipment are reviewed, and adjusted as appropriate, at each end of reporting period. The effects of any revision of the residual values and useful lives are included in the profit and loss statement for the financial period in which the changes arise.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the profit and loss statement during the financial period in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit and loss statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4. Impairment of Non-Financial Assets

At each end of reporting period, the company reviews the carrying amounts of its tangible and intangible 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). Where 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 higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or 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 the profit and loss statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where 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 periods. A reversal of an impairment loss is recognised immediately in the profit and loss statement, 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.

2.5. Income Taxes

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

a) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5. Income Taxes – cont'd

b) Deferred tax

Deferred income tax is provided, using the liability method on all 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 an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the end of the 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 income tax assets are reassessed at 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 income tax assets and liabilities are measured at the tax rates that are expected to apply to the period 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 reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.6. Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and for the rendering of services in the ordinary course of the company's activities. Amounts disclosed as revenue are net of goods and services tax, rebates and discounts.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6. Revenue Recognition – cont'd

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below:

a) Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

b) Interest income

Interest revenue is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

c) Dividend income

Dividend income from investment is recognised when the shareholders' right to receive the payments have been established.

d) Commission income

Revenue from commission is recognised when the services are rendered.

e) Insurance claim

Revenue from insurance claim is recognised when an offer of settlement received from the insurer and the claim amount is virtually certain.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7. Foreign Currency Transactions

a) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the company operates i.e. functional currency, to be United States dollars. Revenue and major operating expenses are primarily influenced by fluctuations in United States dollars. The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

b) Foreign currency transactions

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 determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of reporting period are recognised in the statement of comprehensive income.

2.8. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.9. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision. A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.10. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a) Finance leases

A finance lease is recognised as an asset and as liability in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased asset or, if lower, at the present value of the lease payments based on the interest rate implicit in the lease. The excess of the lease payments over the recorded lease obligations is treated as finance charged which are allocated to each lease term so as to produce a constant rate of charge on the remaining balance of the obligations.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.10. Leases – cont'd

b) Operating leases

Operating leases are not recognised in the company's statement of financial position. Rentals payables under operating leases are charged to profit or loss statement on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Company as lessee

The company lease office premises and director accommodation under operating leases from non-related parties.

Leases of premises, where substantially all risks and rewards incidentals to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the profit and loss statement on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the profit and loss statement when incurred.

2.11. Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalised if they are directly attributable to the acquisition, of a qualifying asset. Capitalisation of borrowing cost commences, when the activities to prepare the asset for its intended use and expenditure and borrowing costs are being incurred. Borrowings costs are capitalised until the assets are ready for their intended use.

2.12. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company statement of financial position when the company becomes a party to the contractual provisions of the instrument.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. There are no financial assets categories at fair value through profit and loss statement and held-to-maturity.

a) 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 rate basis for debt instruments other than those financial instruments “at fair value through statement of comprehensive income”.

b) Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are classified within “trade and other receivables” and “cash and bank balances” on the statements of financial position.

i) Trade and other receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as trade and other receivables. Trade and other receivables are measured at initial recognition at the fair value, and are subsequently measured at amortised cost using the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

ii) Cash and bank balances

Cash and bank balances comprise cash on hand and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

b) Loan and receivables – cont'd

iii) Available-for-sale investment

Available-for-sale investments are investments that are not classified in any of the other categories. After initial recognition, available-for-sale investments are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognized in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method which is recognized in statement of comprehensive income. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statement of comprehensive income as a reclassified adjustment when the financial asset is recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

c) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. 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 investment 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 and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to statement of comprehensive income. Changes in the carrying amount of the allowance account are recognised in statement of comprehensive income.

With the exception of available-for-sale equity instruments, 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 loss was recognized, the previously recognised impairment loss is reversed through statement of comprehensive income 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.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Financial Assets – cont'd

c) Impairment of financial assets – cont'd

In respect of available-for-sale equity instruments, impairment losses previously recognised in statement of comprehensive income are not reversed through statement of comprehensive income statement. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income.

d) Derecognition of financial assets

A financial asset is derecognised when:

- i) the company transfer the contractual rights to receive the cash flows of the financial asset; or
- ii) the company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in a 'pass-through' arrangement; or
- iii) the company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the company's continuing involvement is the amount of the transferred asset that the company may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the company's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

3.2. Equity and Financial Liabilities

Classification as equity or debts

Equity instruments issued by the company and financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability. 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 statements.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity and Financial Liabilities – cont'd

Classification as equity or debts – cont'd

a) Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payment through the expected life of the financial liability, or, where appropriate, a shorter period.

b) Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provision for the financial instrument. The measurement of financial liabilities depends on their classification as either financial liabilities “at fair value through profit or loss” or “other financial liabilities at amortised costs”.

i) Financial liabilities at amortised cost

Financial liabilities are initially recognised at value plus directly attributable costs and 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. Financial liabilities at amortised cost are classified within “trade and other payables” and “finance leases” on the statement of financial position.

Other financial liabilities

Trade and other payables and finance leases are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where 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 respectively carrying amounts is recognised in the statement comprehensive income.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Equity and Financial Liabilities – cont'd

Classification as equity or debts – cont'd

d) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

e) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an obligation to settle on a net basis, or realise the asset and settle the liability simultaneously.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

a) Critical judgement in applying the company's accounting policies

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and temporary differences to the extent that it is probable that taxable profit will be available against which the losses and temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in Note 20 to the financial statement.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

a) Critical judgement in applying the company's accounting policies – cont'd

ii) Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the economic environment in which the company operate and process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

iii) Going concern basis of preparation

The financial statements of the Company have been prepared on a going concern basis as the directors are confident that the company is able to generate positive operating cash flows from its operations and the continuing support from its holding company to enable the company to pay its debts as and when they fall due. The appropriateness of the going concern basis is assessed after taking into consideration all relevant information about the future of the company available at the date of this report.

b) Key sources of estimation uncertainty

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

i) Impairment of investment in subsidiary

The company follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiary. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

b) Key sources of estimation uncertainty – cont'd

ii) Depreciation of plant and equipment

Plant and equipment are depreciated on a straight-line basis over the estimated useful lives after taking into account the estimated residual value. The company reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of the assets and the company's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Any changes in the economic useful lives could impact the depreciation charges and consequently affect the company's result. The carrying amount of plant and equipment as at 31 March 2016 was **US\$208,999** (2015: US\$288,278).

iii) Impairment of plant and equipment

The company assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-calculations. These calculations require the use of judgement and estimates.

iv) Allowances for doubtful accounts

An allowance is made for doubtful accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management specifically analyses accounts receivables and analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in our customer payment terms when making a judgements to evaluate the adequacy of the allowance for doubtful accounts. At the end of the reporting period, the receivables are measured at fair value and their fair values might change materially within the next financial period but these changes would not arise from assumptions or other sources of estimates uncertainty at the end of the reporting period. The carrying amount of trade and other receivables as at 31 March 2016 was **US\$2,718,809** (2015: US\$1,567,721)

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

b) Key sources of estimation uncertainty – cont'd

v) Impairment of other current assets

The company's management reviews other current assets on a regular basis to determine if any provision for impairment is necessary. The impairment loss on deposits, advance with staffs and other receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of purchase of goods or to receive the services according to the original terms of contracts. Significant financial difficulties of the deposit holder, probability that the deposit holder will enter in to bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the deposits and advance with supplier are impaired. Management reassesses the impairment of deposits and advance with suppliers at each reporting date.

vi) Provisions

Provisions are recognised in accordance with the accounting policy in Note 2.8. To determine whether it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made, the company takes into consideration factors such as the existence of legal/contractual agreements, past historical experience, external advisors' assessments and other available information.

vii) Contingent liabilities

Determination of the treatment of contingent liabilities in the financial statements is based on management's view of the expected outcome of the applicable contingency. To determine whether there is objective evidence of contingent liability, the management considers factors such as probability of occurrence or non-occurrence of uncertain future events and also consults a legal counsel of matters related to litigations.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

5.1. Financial Risks Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The directors and the shareholders meet periodically to analyses, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are as follows:

The Company adopts a systematic approach towards risk assessment and management. Risk management is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

There has been no change to the nature of the company's exposure to financial risks or the manner in which it manages and measures the risk. Foreign currency risk and interest rate risk are measured using sensitivity analysis as indicated in respective sections.

a) Categories of financial assets and liabilities

The categories of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Financial assets		
Loans and receivables:		
- Trade and other receivables	2,718,809	1,567,721
- Cash and bank balances	<u>1,133,295</u>	<u>419,684</u>
	<u><u>3,852,104</u></u>	<u><u>1,987,405</u></u>
 Financial liabilities		
At amortised costs:		
- Trade and other payables	4,122,204	1,376,271
- Finance leases	<u>105,216</u>	<u>129,918</u>
	<u><u>4,227,420</u></u>	<u><u>1,506,189</u></u>

Further quantitative disclosures are included throughout these financial statements.

b) Credit risk

Credit risk refers to risk that counterparty will default on their obligations to repay amounts owing to company resulting in a loss to the company. The company's objective is to seek continual revenue growth while minimising losses incurred due to increase credit risk exposure. Due to the nature of its customer base, the company's concentration of credit risk and exposure are limited to three customers.

i) Trade and other receivables

The company's trade receivable related to sale of commodities to third parties. It is the Company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The Company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis. At the end of the financial period, the Company has no significant concentration of credit risk.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

b) Credit risk – cont'd

ii) Cash and bank balances

The company's cash and bank balances as detailed in Note 10 to the financial statements are held in major financial institutions, which are regulated and located in Singapore, which the management believes are of high credit quality. The main purpose of these financial instruments is to finance the company's operations. All financial transactions with the banks are governed by banking facilities duly accepted with Board of Directors' resolutions, with banking mandates, which define the permitted financial instruments, and facilities limits, all of which are approved by the Board of Directors. All financial transactions require dual signatories.

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

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

Financial assets that are past due or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

c) Foreign current exchange rate risk

Foreign currency exchange rate risk arises from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The company trades mainly in the United States dollars and Euro dollars. The company also holds cash and bank balances in United States dollars, Singapore dollars and Euro dollars for working capital purposes. Foreign currency exchange exposures are naturally hedged as both revenues and corresponding purchases are denominated in the above currencies. This natural hedge reduces significantly the financial impact of movements in the foreign exchange rates. However, exposure to foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level. Management believes that the foreign exchange risk is manageable.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Foreign current exchange rate risk – cont'd

The following table details the company's exposure at the end of reporting period to foreign currency exchange risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

<u>2016</u>	<u>Euro dollars</u> US\$	<u>Singapore dollars</u> US\$
Financial assets:		
Trade and other receivables	171,199	19,291
Cash and bank balances	<u>40,448</u>	<u>204,681</u>
	<u>211,647</u>	<u>223,972</u>
Financial liabilities:		
Finance leases	-	(105,216)
Trade and other payables	<u>(31,608)</u>	<u>(11,494)</u>
	<u>(31,608)</u>	<u>(116,710)</u>
Net foreign currency exposures	<u>180,039</u>	<u>107,262</u>
<u>2015</u>	<u>Euro dollars</u> US\$	<u>Singapore dollars</u> US\$
Financial assets:		
Trade and other receivables	857,735	19,291
Cash and bank balances	<u>155,550</u>	<u>103,085</u>
	<u>1,013,285</u>	<u>122,376</u>
Financial liabilities:		
Finance leases	-	(129,918)
Trade and other payables	<u>(833,122)</u>	<u>(42,882)</u>
	<u>(833,122)</u>	<u>(172,800)</u>
Net foreign currency exposures	<u>180,163</u>	<u>(50,424)</u>

Sensitivity analysis

The analysis is prepared assuming the amount of monetary assets and monetary liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting foreign exchange rate risk internally to key management personnel and represents management's assessment of the possible change in exchange rates.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

c) Foreign current exchange rate risk – cont'd

Sensitivity analysis – cont'd

A 10% strengthening of United States dollars against the foreign currencies would increase profit or loss by the amount shown below:

<u>2016</u>	Euro Dollars US\$	Singapore dollars US\$
Increase in foreign currency impact	18,004	10,726
 <u>2015</u>	 Euro Dollars US\$	 Singapore dollars US\$
Increase in foreign currency impact	18,016	(5,042)

A 10% weakening of Singapore dollars against the above foreign currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items. In management's option, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

d) Interest rate risk

Interest rate risk arises from the potential change in interest rate that may have an adverse effect on the company results in the current reporting period and in the future years.

The company is exposed to interest rate risk through the impact of the changes on interest bearing finance leases and demand deposits. The company's policy is to obtain most favourable interest rate available in the market. The interest rates and terms of repayment of finance lease are disclosed in Note 15 to the financial statements. Demand deposit and time deposit with banks, earn interest as stated in Note 10 to the financial statements. The risk exposure is not significant as the interest income is not significant source of the company's income. Management believes that the interest rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate the risk.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

d) Interest rate risk – cont'd

Interest rate sensitivity

No interest rate sensitivity analysis has been prepared as the amount would be immaterial to the company.

The company's exposure to interest rate on financial assets and financial liabilities are detailed in the liquidity risk section of this note.

Interest rate sensitivity

No interest rate sensitivity analysis has been prepared as the amount would be immaterial to the company.

e) Liquidity risk

Liquidity risk refer to risk that the company will not have sufficient funds to pay their debts as and when they fall due.

The company is exposed to liquidity risk. However, the holding company has agreed to provide unconditional financial support to the company to enable the company to discharge its obligations as and when they fall due as stated in Note 1(b) to the financial statements.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of each reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to receive or pay.

2016	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows			Total US\$
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	More than 5 years US\$	
Financial liabilities						
Trade and other payables	-	4,122,204	4,122,204	-	-	4,122,204
Finance leases	3.587	105,216	29,412	83,234	-	112,646
Total undiscounted financial liabilities		4,227,420	4,151,616	83,234	-	4,234,850

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.1. Financial Risks Management Policies and Objectives – cont'd

e) Liquidity risk – cont'd

2015	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows			Total US\$
			Within 1 year or repayable on demand US\$	Within 2 to 5 years US\$	More than 5 years US\$	
Financial liabilities						
Trade and other payables	-	1,376,271	1,376,271	-	-	1,376,271
Finance leases	3,587	129,918	28,868	110,664	-	139,532
Total undiscounted financial liabilities		1,506,189	1,405,139	110,664	-	1,515,803

f) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

i) Financial assets and liabilities

Management has determined that the carrying amounts of cash and bank balances, trade and other receivables, amounts due from holding company, related parties, finance leases, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

The company does not anticipate that the carrying amounts recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

5.2. Capital Risk Management Policies and Objectives

The company manages its share capital to ensure that it is able to continue as a going concern and maintains an optimal capital structure so as to maximize shareholder value.

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment to equity holders, return capital to equity holders, issue new shares, obtain new borrowings or redeem borrowings.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT – cont'd

5.2. Capital Risk Management Policies and Objectives – cont'd

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables less cash and bank balances. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the period.

	<u>2016</u> US\$	<u>2015</u> US\$
Finance leases	105,216	129,918
Trade and other payables	4,122,204	1,376,271
Cash and bank balances	<u>(1,133,295)</u>	<u>(419,684)</u>
Net debt	3,094,125	1,086,505
Total equity	<u>(137,578)</u>	791,672
Total capital	<u>2,956,547</u>	<u>1,878,177</u>
Gearing ratio	<u>N.M.</u>	<u>58%</u>

N.M. – Not meaningful. As disclosed in Note 1(b) to the financial statements the company face difficulty in meeting its financial obligations due to shortage of funds to settle its liabilities. However, the holding company has undertaken to provide financial support to enable the company to pay its financial obligations.

The capital structure of the company's mainly consists of equity and net debts. The company reviews the capital structure from time to time and will continue to monitor economic conditions in which it operates and will make adjustments to its capital structure where necessary.

The company is not subject to any externally imposed capital requirements.

6. HOLDING COMPANY AND RELATED PARTY TRANSACTIONS

The company is a wholly subsidiary of Dhampur Sugar Mills Limited, incorporated in India which is also the company's ultimate holding company.

Related party relationship

FRS 24 defines a related party as an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family or any individual referred to herein and others, who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The definition includes Parent Company, subsidiaries, fellow subsidiaries, associates, joint ventures and post-employment benefit plans, if any.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

6. RELATED PARTY TRANSACTIONS – cont'd

Some of the company's transactions and arrangements are with its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The inter-company balances are unsecured, interest-free and repayable on demand.

a) During the financial year, the company entered into the following transaction with its holding company:-

	<u>2016</u> US\$	<u>2015</u> US\$
Purchases of goods	19,249,365	20,405,157
Sales of goods	<u>(2,760,000)</u>	<u>-</u>

Sales and purchases of goods to/from its holding company are made at prices, which are not materially different to those applicable to third party customers and suppliers.

b) Compensation of key management personnel

Key management personnel are directors, those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

The remuneration of key management personnel of the company during the financial period is as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
<u>Compensation paid to a director</u>		
- Remunerations	255,916	150,259
- CPF	30,173	-
- Accommodation	-	76,208
- Other benefits	<u>1,829</u>	<u>3,167</u>
	<u>174,961</u>	<u>229,634</u>

7. PLANT AND EQUIPMENT

	<u>Furniture & Fittings</u> US\$	<u>Office Equipment</u> US\$	<u>Motor Vehicle</u> US\$	<u>Total</u> US\$
<u>Cost</u>				
At 1.4.2015	22,203	15,392	333,733	371,328
Additions	-	-	-	-
At 31.3.2016	<u>22,203</u>	<u>15,392</u>	<u>333,733</u>	<u>371,328</u>
<u>Accumulated depreciation</u>				
At 1.4.2015	10,945	5,358	66,747	83,050
Depreciation for the year	7,401	5,131	66,747	79,279
At 31.3.2016	<u>18,346</u>	<u>10,489</u>	<u>133,494</u>	<u>162,329</u>
<u>Carrying amount</u>				
At 31.3.2016	<u>3,857</u>	<u>4,903</u>	<u>200,239</u>	<u>208,999</u>
At 31.3.2015	<u>11,258</u>	<u>10,034</u>	<u>266,986</u>	<u>288,278</u>

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. PLANT AND EQUIPMENT

<u>2015</u>	<u>Furniture & Fittings</u> US\$	<u>Office Equipment</u> US\$	<u>Motor Vehicle</u> US\$	<u>Total</u> US\$
<u>Cost</u>				
At 1.4.2014	10,632	680	-	11,312
Additions	11,571	14,712	333,733	360,016
At 31.3.2015	22,203	15,392	333,733	371,328
<u>Accumulated depreciation</u>				
At 1.4.2014	3,544	227	-	3,771
Depreciation for the year	7,401	5,131	66,747	79,279
At 31.3.2015	10,945	5,358	66,747	83,050
<u>Carrying amount</u>				
At 31.3.2015	11,258	10,034	266,986	288,278
At 31.3.2014	7,088	453	-	7,541

The carrying amount of **US\$200,239** (2015: US\$266,986) assets acquired under finance lease are pledged as security for the associated liabilities under finance lease.

During the previous financial year, the company acquired plant and equipment with an aggregate cost US\$360,016 of which US\$333,733 was acquired by means of finance lease. Cash payments of US\$225,287 were made to purchase of plant and equipment.

During the financial year, the company carried out a review of the recoverable amount of all plant and equipment. As a result, there were no allowances for impairment or revisions to the useful lives required for plant and equipment.

8. INVESTMENT IN SUBSIDIARIES

		<u>2016</u> US\$	<u>2015</u> US\$		
Unquoted equity shares, at cost		1,000	1,000		
Acquisition of additional shares		7,245	-		
Less: Disposal		(8,245)	-		
		-	1,000		
<u>Name of the subsidiary</u>	<u>Principal activities and country of incorporation</u>	<u>Percentage of equity</u>		<u>Cost of investment</u>	
		<u>2016</u> %	<u>2015</u> %	<u>2016</u> US\$	<u>2015</u> US\$
Dhampur Global Pte Ltd.	General wholesalers, importers and exporters and Investment in financial instruments.	-	100	-	1,000

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. INVESTMENT IN SUBSIDIARIES – cont'd

During the financial year, the company disposed its wholly owned subsidiary, Dhampur Global Pte. Ltd., for a consideration of US\$8,245 to its director, Mr Gautam Goel.

9. AVAILABLE-FOR-SALE INVESTMENTS

	<u>2016</u> US\$	<u>2015</u> US\$
Balance at beginning of year	-	203,788
Additions	-	-
Disposals	-	(203,788)
	-	-
	-	-

Available-for-sale investments represent High Yield Bond Fund. However, the entire investment has been disposed during the previous financial year.

10. CASH AND BANK BALANCES

	<u>2016</u> US\$	<u>2015</u> US\$
Cash and bank balances	1,028,295	419,684
Fixed deposits	105,000	-
	1,133,295	419,684
	1,133,295	419,684

Cash and bank balances comprise cash held by the company and short-term bank deposits which earn interest at floating rates based on daily bank deposit rates. Cash and bank balances carried at the end of the reporting period are classified and accounted for as loans and receivables under FRS 39.

Fixed deposit is made for 91 days depending upon the immediate cash requirements of the company (2015: Nil). The deposits bear interest rate ranging from 1.27% to 2.75% per annum.

Cash and bank balances are denominated in the following currencies:

	<u>2016</u> US\$	<u>2015</u> US\$
Singapore dollars	204,681	103,085
United States dollars	888,166	161,049
Euros	40,448	155,550
	1,133,295	419,684
	1,133,295	419,684

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. TRADE AND OTHER RECEIVABLES

	<u>2016</u> US\$	<u>2015</u> US\$
Trade receivables:		
- third parties	1,108,639	1,530,622
Other receivables:		
- external parties	1,590,879	-
- subsidiary (Note8)	-	17,808
- rental deposits	<u>19,291</u>	<u>19,291</u>
	<u>2,718,809</u>	<u>1,567,721</u>

i) Trade receivables

Trade receivables are non-interest bearing and generally on 30 to 90 (2015: 30 to 90) days' credit term. They are recognised at their original invoice amounts, which represents their fair values on initial recognition. Based on the historical default rates the company believes that no impairment allowance is necessary in respect of trade receivables. These receivables are mainly arising by customers that have a good credit record with the company.

The aging of trade receivables as at the end of the reporting period is as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
<u>Trade receivables that are neither past due nor impaired</u>		
Less than 30 days	-	-
31 to 60 days	546,572	1,530,622
61 to 90 days	390,869	-
<u>Trade receivables that are past due but not impaired</u>		
91 to 180 days	<u>171,198</u>	<u>-</u>
	<u>1,108,639</u>	<u>1,530,622</u>

ii) Other receivables

In determining the recoverability of other receivables, the company considers any change in the credit quality of the other receivable from the date credit was initially granted up to the reporting date. The majority of credit risk for other receivables for the company relate to amounts due from third parties, which are unsecured, interest-free and repayable on demand.

Management has assessed the credit worthiness of the other debtors including a related party considers that no allowances for impairment of other receivables is necessary as there were no recent history of default in respect of these debtors.

iii) Rental deposit

Rental deposit represents the two months rental caution deposit placed with the landlords of the office premises and the director's residence.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. TRADE AND OTHER RECEIVABLES – cont'd

Trade and other receivables are denominated in the following currencies:

	<u>2016</u> US\$	<u>2015</u> US\$
Singapore dollars	19,291	19,291
United States dollars	2,528,319	690,695
Euros	<u>171,199</u>	<u>857,735</u>
	<u>2,718,809</u>	<u>1,567,721</u>

12. OTHER CURRENT ASSETS

	<u>2016</u> US\$	<u>2015</u> US\$
Deposits	2,555	2,555
Prepayment	3,129	2,800
Others	<u>23,055</u>	<u>15,823</u>
	<u>28,739</u>	<u>21,178</u>

Deposits which mainly relate to PUB deposit placed for office premises and directors accommodation are recognised at fair value on initial recognition.

None of the above balances are past due and impaired.

The company's management considers that no allowance for impairment of other current assets is necessary as there was no recent history of default in respect of these assets.

13. SHARE CAPITAL

	<u>2016</u> <u>Number of ordinary shares</u>	<u>2015</u> <u>Number of ordinary shares</u>	<u>2016</u> US\$	<u>2015</u> US\$
Issued and paid up:				
Balance at beginning and end of year	<u>2,010,000</u>	<u>2,010,000</u>	<u>2,007,609</u>	<u>2,007,609</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All shares rank equally with regard the company's residual assets. The company has one class of ordinary shares with no par value, which carry no right to fixed income.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. FAIR VALUE RESERVE

	<u>2016</u> US\$	<u>2015</u> US\$
Fair value reserve (non-distributable)		
- Available-for-sale investment		
Balance at beginning of year	-	2,276
Fair value gain for the year	-	-
Recycled to profit and loss account	-	(2,276)
Net fair value gain recognised in equity	-	-
Balance at end of year	-	-

Fair value reserve records the cumulative fair value changes of available-for-sale investments until they are derecognized or impaired. During the financial year, the available-for-sale investment has been disposed and the related reserve was derecognized.

15. FINANCE LEASES

	Minimum lease Payments		Present value of minimum lease payment	
	<u>2016</u> US\$	<u>2015</u> US\$	<u>2016</u> US\$	<u>2015</u> US\$
Amounts payables under finance leases:				
Within one year	29,412	28,868	27,835	26,679
In the second to fifth years	83,234	110,664	77,381	103,239
	112,646	139,532	105,216	129,918
Less: Future finance charge	(7,430)	(9,614)		
Present value of lease obligations	105,216	129,918		
Less: Current portion	(27,835)	(26,679)		
Non-current portion	77,381	103,239		

The company acquired motor vehicles under finance lease. The terms of this finance leases is 4 years (2015: 4 years). For the financial year ended 31 March 2016, the average effective borrowing rate in respect of this finance leases are 3.587% (2015: 3.587%) per annum. The interest rate and repayment sums were fixed on the date the finance leases were executed. The obligation under the finance leases are secured by the lessor's title to the leased assets (Note 7).

Finance leases are denominated in Singapore dollars.

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

16. **TRADE AND OTHER PAYABLES**

	<u>2016</u> US\$	<u>2015</u> US\$
Trade payables:		
- holding company (Note 6)	1,824,736	1,323,280
- related party (Note 6)	9,959	9,959
	1,834,695	1,333,239
Other payables:		
- accrued charged	7,000	41,850
- director	-	1,032
- others	2,280,509	150
	4,122,204	1,376,271

Trade payables are non-interest bearing and generally up to 180 days' credit term. They are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The amount due to a director is unsecured, interest free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	<u>2016</u> US\$	<u>2015</u> US\$
Singapore dollars	11,494	42,882
United States dollars	4,079,102	500,267
Euro dollars	31,608	833,122
	4,122,204	1,376,271

17. **REVENUE**

Revenue represents net total invoiced value of goods supplied, after allowances for returns and trade discounts.

18. **OTHER INCOME**

	<u>2016</u> US\$	<u>2015</u> US\$
Interest income	91,517	-
Dividend received	-	2,398
Gain on disposal of bonds	-	14,162
Commission	49,589	-
Interest received from banks	-	341
Insurance claim	123,359	-
	264,465	16,901

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

19. **FINANCE COST**

	<u>2016</u> US\$	<u>2015</u> US\$
Interest on finance lease	3,410	332

20. **INCOME TAX EXPENSE**

a) Major component of income tax expenses

The major components of income tax expenses are as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Current year's income tax	-	-

b) Relationship between income tax benefit and accounting loss

The reconciliation between tax benefit and the product of accounting loss multiplied by the applicable corporate tax rate for the periods ended 31 March 2016 and 31 March 2015 are as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Loss before income tax	(929,250)	(689,832)
Tax benefit of the domestic income tax rate 17% (2015: 17%)	(157,973)	(117,271)
Tax effect of:		
- taxable expenses	15,246	14,133
- deferred tax assets not recognised	147,727	103,138
Total income tax expenses	-	-

c) Unrecorded deferred tax benefit

The company has tax loss carry forwards and temporary differences from capital allowances available for offsetting against future taxable income as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Amount at beginning of year	935,753	329,059
Amount in current year	839,569	606,694
Amount at end of year	1,775,322	935,753
Deferred tax benefit on above unrecorded at 17% (2015: 17%)	301,805	159,078

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

20. INCOME TAX (CREDIT)/EXPENSE – cont'd

The realisation of the future income tax benefits from tax loss carry forwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

The deferred tax benefit of the remaining tax loss carried forward and temporary differences from capital allowances have not been recognised in the financial statements because it is not probable to determine that the future taxable profit will be available against which the company can utilise the benefits thereon.

21. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	<u>2016</u> US\$	<u>2015</u> US\$
Director's emoluments		
- remuneration	255,916	150,259
- CPF	30,173	-
- accommodation	-	76,208
- other benefits	1,829	3,167
Employee benefit expenses, inclusive of directors' emoluments	583,825	374,621
Cost of defined contribution included in employee benefit expense	32,058	27,412
Foreign currency exchange adjustment loss	5,205	-
Loss on disposal of available-for-sale investment	-	1,164
Inventories recognised as an expenses in cost of goods sold	<u>29,410,419</u>	<u>20,405,157</u>

22. COMMITMENTS

a) Letter of guarantees

During the financial year, the company issued two banker's guarantees amounting to US\$29,605 (equivalent to S\$40,000) in favour of The Comptroller of Goods and Services Tax, Singapore for the period from 20 October 2015 to 19 October 2016, pursuant to Section 81 of the Goods and Services Tax Act for payment of GST.

b) Operating lease commitments

	<u>2016</u> US\$	<u>2015</u> US\$
Minimum lease payments under operating leases recognised as an expense in the period/year	<u>63,495</u>	<u>150,435</u>

DHAMPUR INTERNATIONAL PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

22. COMMITMENTS – cont'd

As at the end of the reporting period, the company has outstanding commitments under non-cancelled operating leases, which fall due as follows:

	<u>2016</u> US\$	<u>2015</u> US\$
Within one year	71,275	159,998
In the second to fifth periods inclusive	<u>56,426</u>	<u>93,454</u>
	<u>127,701</u>	<u>253,452</u>

The company has operating lease arrangements for its office premises, director's accommodation and guest house. These leases contain renewable options to renew the operating leases. These leases term do not contain restriction on the company's activities concerning dividends, additional debts or further leasing.

23. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the company for the succeeding financial period.

DHAMPUR INTERNATIONAL PTE. LTD.

DETAILED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	<u>2016</u> US\$	<u>2015</u> US\$
Revenue	29,556,890	20,552,640
Less: Cost of goods sold		
Purchases	<u>(29,410,409)</u>	<u>(20,405,157)</u>
Gross profit	146,481	147,483
Add: Other income		
Dividend received	-	2,398
Commission received	49,589	-
Gain on disposal of available-for-sale investment	-	12,998
Insurance claim received	123,359	-
Interest income	91,517	341
	<u>264,465</u>	<u>15,737</u>
	410,946	163,220
Less: Operating expenses		
- Schedule 'A'	<u>(1,340,196)</u>	<u>(853,052)</u>
Loss before income tax	<u>(929,250)</u>	<u>(689,832)</u>

This schedule does not form part of the audited statutory financial statements.

DHAMPUR INTERNATIONAL PTE. LTD.

Schedule 'A'

OPERATING EXPENSE

FOR THE YEAR ENDED 31 MARCH 2016

	<u>2016</u> US\$	<u>2015</u> US\$
Marketing and distribution expenses		
Business promotion expenses	72,424	-
Commission	69,612	2,500
Entertainment expenses	11,663	7,150
Handling charges	19,023	-
Transport	136,265	53,891
Administrative expenses		
Auditors' remuneration	7,000	8,000
Accounting fee	1,455	2,283
Bank charges	79,872	15,914
Consultancy fee paid	-	14,740
CPF	32,058	27,412
Claims paid	29,787	-
Director's emoluments:		
- remuneration	255,916	150,259
- CPF	30,173	-
- accommodation	-	76,208
- other benefits	1,829	3,167
Foreign currency exchange adjustment loss	5,205	33,392
General expenses	22,039	2,679
Legal and professional fee	9,597	3,812
Office maintenance	10,783	3,629
Postages and courier	2,481	6,233
Printing and stationery expenses	3,745	-
Rental expenses:	63,495	74,227
Salaries and allowances	263,849	117,575
Staff welfare expenses	14,435	-
Stamp duty	7,881	-
Subscription & membership charges	35,499	11,684
Skills development fund	558	-
Telephone, fax and internet charges	29,470	12,711
Travelling expenses	27,921	104,945
Upkeep of motor vehicle	6,846	12,247
Water and electricity	1,893	3,784
Finance costs		
Interest on finance lease	3,410	332
Other expenses		
Compensation paid	4,587	-
Depreciation of plant and equipment	79,278	79,278
Fines and penalties	147	-
Loss on disposal premium call option	-	25,000
	<u>1,340,196</u>	<u>853,052</u>

This schedule does not form part of the audited statutory financial statements.