

RUCHI INDUSTRIES PTE. LTD.

(Registration number: 200923577N)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

RUCHI INDUSTRIES PTE. LTD.

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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RUCHI INDUSTRIES PTE. LTD.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of **RUCHI INDUSTRIES PTE. LTD.** (the "company") for the financial year ended 31 March 2017.

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 2017 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, 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:

Vijay Kumar Jain (Appointed on 22 September 2016)
RM Muthaiah

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 following director who held office at the end of the financial year, had an interest in the share capital of the company and its related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter 50 as stated below:

<u>Name of directors and corporations in which interests are held</u>	<u>Number of equity shares of par value Rs2.00 per share</u>	
	<u>At beginning of year or date of appointment, if later</u>	<u>At end of year or date of appointment, if later</u>
<u>Ruchi Soya Industries Limited (Ultimate holding company)</u>		
Vijay Kumar Jain	141	141

RUCHI INDUSTRIES PTE. LTD.

DIRECTORS' STATEMENT – cont'd

5. SHARE OPTIONS

During the financial year, no share options were granted to subscribe for unissued shares of the company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued of the company.

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

6. INDEPENDENT AUDITOR

The independent auditor, Rama & Co., Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board



.....
Vijay Kumar Jain
Director



.....
RM Muthaiah
Director

Date: 25 April 2017



Rama & Co
Public Accountants &
Chartered Accountants
Singapore

17 Phillip Street
#05-02 Grand Building
Singapore 048695
Tel : 6538 7777
Fax : 6533 3227
email : rahul@ramaco.com.sg

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RUCHI INDUSTRIES PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

...2/-



INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RUCHI INDUSTRIES PTE. LTD. – cont'd

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

...3/-



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
RUCHI INDUSTRIES PTE. LTD. – cont'd**

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

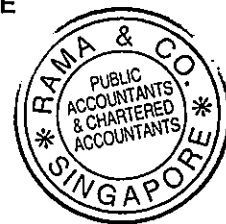
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirement

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: 25 April 2017

RUCHI INDUSTRIES PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$
EQUITY AND LIABILITIES			
Capital and reserves:			
Share capital	(7)	6,000,000	6,000,000
Retained earnings		<u>1,522,985</u>	<u>1,542,022</u>
Total equity		<u>7,522,985</u>	<u>7,542,022</u>
Current liabilities:			
Other payables and accruals	(8)	672,804	677,235
Income tax payable	(13)	<u>-</u>	<u>-</u>
Total current liabilities		<u>672,804</u>	<u>677,235</u>
Total equity and liabilities		<u>8,195,789</u>	<u>8,219,257</u>
ASSETS			
Non-current asset:			
Investments in subsidiaries	(9)	<u>4,527,660</u>	<u>4,527,660</u>
Total non-current assets		<u>4,527,660</u>	<u>4,527,660</u>
Current assets:			
Other receivables	(10)	3,668,100	3,629,569
Other current assets	(11)	-	28,300
Cash and cash equivalents	(12)	<u>29</u>	<u>33,728</u>
Total current assets		<u>3,668,129</u>	<u>3,691,597</u>
Total assets		<u>8,195,789</u>	<u>8,219,257</u>

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

RUCHI INDUSTRIES PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDER 31 MARCH 2017

	<u>Note</u>	<u>2017</u> <u>US\$</u>	<u>2016</u> <u>US\$</u>
Revenue		-	-
Other income	(13)	<u>16,397</u>	<u>8,273</u>
Total revenue		16,397	8,273
Cost and expenses			
Other expenses		<u>(35,434)</u>	<u>(12,663)</u>
Loss before income tax		(19,037)	(4,390)
Income tax expense	(14)	<u>-</u>	<u>-</u>
Loss for the year		(19,037)	(4,390)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss the year		<u>(19,037)</u>	<u>(4,390)</u>

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

RUCHI INDUSTRIES PTE. LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Share Capital US\$	Retained Earnings US\$	Total US\$
Balance as at 1 April 2015	6,000,000	1,546,412	7,546,412
Total comprehensive loss for the year	-	(4,390)	(4,390)
Balance as at 31 March 2016	6,000,000	1,542,022	7,542,022
Total comprehensive loss for the year	-	(19,037)	(19,037)
Balance as at 31 March 2017	6,000,000	1,522,985	7,522,985

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

RUCHI INDUSTRIES PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	<u>2017</u> US\$	<u>2016</u> US\$
Cash flows from operating activities:		
Loss before income tax and working capital changes	(19,037)	(4,390)
Investment in subsidiaries	-	(517,711)
Other receivables	(10,231)	(208,912)
Other payables and accruals	<u>(4,431)</u>	<u>675,046</u>
Net cash used in operating activities	<u>(33,699)</u>	<u>(55,967)</u>
Net decrease in cash and cash equivalents	(33,699)	(55,967)
Cash and cash equivalents at beginning of year	<u>33,728</u>	<u>89,695</u>
Cash and cash equivalents at end of year	<u>29</u>	<u>33,728</u>

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

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

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

1. GENERAL

a) Corporate information

Ruchi Industries Pte. Ltd. (the “company”) (Registration number: 200923577N) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

22 North Canal Road, #01-00
Singapore 048834

The principal activities of the company are that of an investment holding company and general wholesale imports and exports.

b) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2017 were authorised for issue by the Board of the Directors on 25 April 2017.

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 year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting judgements estimates and key sources of estimation uncertainty used that are significant to the financial statements areas involving higher degree of judgement or complexity are disclosed in Note 4 to the financial statements.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

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 2016.

b) Standards issued but not yet effective

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

<u>Reference</u>	<u>Description</u>	<u>Effective of annual period beginning on or after</u>
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 115	Amendments to FRS 115: Clarification to FRS 115 Revenue from Contracts with Customers	1 January 2018

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

2.3. Functional and Foreign Currency

a) Functional and presentation currency

The management has determined the currency of the primary economic environment in which the company operates to be United States dollars. The financial statements of the company are presented in United States dollars.

b) Foreign Currency Transactions

Transactions in foreign currencies have been converted into United States dollars at the average monthly exchange rates. Monetary assets and liabilities in foreign currencies at the end of the reporting period have been converted into United States dollars at the rates of exchange approximating to those ruling at that date. Exchange differences are dealt with in the statement of comprehensive income.

2.4. Subsidiaries

Subsidiaries are entities controlled by the company. Control exists when the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the company's financial statements, investments in the subsidiaries company are accounted for cost less any impairment losses.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4. Subsidiaries – cont'd

No consolidated financial statements have been prepared as the company itself is wholly owned by another corporation which prepares consolidated financial statements. Such financial statements are available for public use.

2.5. Impairment of Non-financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). 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 statement of comprehensive income, 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 statement of comprehensive income, 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.

2.6. Income taxes

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

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6. Income taxes-cont'd

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 or substantively enacted at the reporting date.

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.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7. Related Party Disclosure

A related party is defined as follows:

- a) A person or a close member of that person's family is related to the company if that person:
 - (i) has control or joint control over the company;
 - (ii) has significant influence over the company; or
 - (iii) is a member of the key management personnel of the company or of a parent of the company.

- b) An entity is related to a company if any of the following conditions applies:
 - (i) the entity and the company are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to the others;
 - (ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); or
 - (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24 Related Party Disclosures.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – cont'd

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.

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 recognized 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 recognized but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occur 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. 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.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. 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.

3.2. Financial Assets

Financial assets in this financial statement are classified into loans and receivables. The classification depends on the nature and purpose of financial assets and determined at the time of initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivables and cash and cash equivalents are classified within loans and receivables on the statement of financial position.

i) Other receivables

Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method less impairment. The other receivables are due from related parties and are non-interest bearable and repayable on demand.

ii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank placed with financial institutions and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

b) Impairment of financial assets

Financial assets are assessed for indicators of impairment at 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.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

b) Impairment of financial assets – cont'd

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 is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

c) Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.3. Equity Instruments and Financial Liabilities

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

a) 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 cost

Ordinary share capital is classified as equity.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.3. Financial Liabilities and Equity – cont'd

b) Financial liabilities

Financial liabilities consist of other payables and accruals. Other payables and accruals 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.

4. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES

4.1. 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.

a) Determination of functional currency

The company measures foreign currency transactions in the respective functional currencies of the company. In determining the functional currencies of the entities in 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 currencies of the entities in the company are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND KEY SOURCES OF ESTIMATION UNCERTAINTIES – cont'd

4.2. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each 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:

a) Impairment of investment in subsidiaries

The company follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiaries. 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. The carrying amount of investment in subsidiaries is disclosed in Note 9 to the financial statements.

b) Impairment assessment of other receivables

The policy for impairment assessment of trade receivables of the company is based on the evaluation of collectability and aging analysis of trade receivables and on management's estimation. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors are to deteriorate, resulting in an impairment of their ability to make payments, allowances may be required. The carrying amount of other receivables is disclosed in Note 10 to the financial statements.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT POLICIES AND OBJECTIVE

5.1. Categories of Financial Assets and Liabilities

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

	<u>2017</u> US\$	<u>2016</u> US\$
Financial assets		
<u>Loans and receivables</u>		
- Other receivables	3,668,100	3,629,569
- Cash and cash equivalents	29	33,728
	<u>3,668,129</u>	<u>3,663,297</u>
Financial liabilities		
<u>At amortised costs</u>		
- Other payables and accruals	<u>672,804</u>	<u>677,235</u>

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

5.1. Categories of Financial Assets and Liabilities – cont'd

Further quantitative disclosures are included throughout these financial statements.

5.2 Financial Risk 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 management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal.

The company adopts systematic approach towards risk assessment and management. This 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.

a) 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 primary exposure to credit risk arises through its other receivables and cash and cash equivalents. The company is exposed to credit risk with other receivables, as stated in Note 10 to the financial statements. No formal credit limits are imposed for amount due from related parties and the credit risk is managed through regular monitoring of conducts of accounts.

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

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies. Other receivables that are neither past due nor impaired are from parties with a good collection track record with the company.

Financial assets that are past due and/or impaired

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

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

5.2. Financial Risk Management Policies and Objective – cont'd

b) Interest Rate Risk

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

The company has cash and cash equivalents placed with banks which generate interest income for the company. The risk exposure is not significant as interest income is not a significant source of the company's income. However, the company monitors movements in interest rates to ensure deposits are placed with banks and financial institutions offering optimal rates of return. Management believes that the interest rate risk exposure is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

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

The company's profit and loss and equity are not affected by the changes in interest rates as the interest bearing instruments either carry fixed interest or are measured at amortised cost or carry variable interest but are held for short-term. Accordingly, management is of the view that the impact of any interest rate fluctuation will not be material.

c) Foreign Currency Exchange Rate Risk

Foreign currency exchange rate risk arose 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 transacts mainly in United States dollars and Singapore dollars. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign exchange rate risk against Singapore dollars is as follows:

	<u>2017</u> US\$	<u>2016</u> US\$
Financial assets		
Cash and cash equivalents	15	6,861
Financial liabilities		
Other payables and accruals	2,236	(2,235)
Net foreign currency exposure	<u>2,251</u>	<u>4,626</u>

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

5.2. Financial Risk Management Policies and Objective – cont'd

c) Foreign Currency Exchange Rate Risk – cont'd

Sensitivity analysis

The analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole period. A 10% 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.

A 10% strengthening of United States Dollar against the following currencies with all variables held constant would increase/(decrease) statement of comprehensive income by the amount shown below:

	<u>2017</u> US\$	<u>2016</u> US\$
Net foreign currency impact	<u>225</u>	<u>463</u>

A 10% weakening of the above currencies against US dollar 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.

d) Liquidity Risk

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

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to support their business activities on timely basis. The company maintains a balance between continuity of accounts receivable collectibility and flexibility through the use of accounts payables.

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

2017	Effective interest rate (%)	Carrying amount US\$	<u>Contractual undiscounted cash flows</u>	
			Within 1 year or repayable on demand US\$	Total US\$
Financial liabilities				
Other payables and accruals	-	<u>672,804</u>	<u>672,804</u>	<u>672,804</u>

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

5.2. Financial Risk Management Policies and Objective – cont'd

d) Liquidity Risk – cont'd

2016	Effective interest rate (%)	Carrying amount US\$	Contractual undiscounted cash flows	
			Within 1 year or repayable on demand US\$	Total US\$
Financial liabilities				
Other payables and accruals	-	<u>677,235</u>	<u>677,235</u>	<u>677,235</u>

e) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables and payables, borrowings, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

5.3. 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.

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

	<u>2017</u> US\$	<u>2016</u> US\$
Other payables and accruals	672,804	677,235
Cash and cash equivalents	<u>(29)</u>	<u>(33,728)</u>
Net debt	<u>672,775</u>	643,507
Total equity	<u>7,522,985</u>	<u>7,542,022</u>
Total capital	<u>8,195,760</u>	<u>8,185,529</u>
Gearing ratio	<u>8%</u>	<u>8%</u>

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

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

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

The capital structure of the company's mainly consists of equity and remains unchanged during the period. The company reviews the capital structure from time to time and will continue to monitor economic conditions in which its operates and will made 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 owned subsidiary of Ruchi Soya Industries Limited, incorporated in India, which is also the company's ultimate holding company.

There are transactions and arrangements between the company and members of the holding company and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured, repayable on demand and interest free unless stated otherwise. For financial guarantees a fair value is imputed and is recognised accordingly if significant where no charge is payable.

7. SHARE CAPITAL

	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	Number of		US\$	US\$
	<u>ordinary shares</u>			
Issued and paid up:				
At beginning of year				
and end of year	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</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.

8. OTHER PAYABLES AND ACCRUALS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Accrued expenses	2,003	2,235
Advances from subsidiary	<u>670,801</u>	<u>675,000</u>
	<u>672,804</u>	<u>677,235</u>

Advances from subsidiary, Ruchi Agritrading Pte. Ltd., is unsecured, interest free and is repayable on demand.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. OTHER PAYABLES AND ACCRUALS

Other payables and accruals are denominated in the following currencies:

	<u>2017</u> US\$	<u>2016</u> US\$
United States dollar	675,040	675,000
Singapore dollar	<u>(2,236)</u>	<u>2,235</u>
	<u>672,804</u>	<u>677,235</u>

9. INVESTMENTS IN SUBSIDIARIES

	<u>2017</u> US\$	<u>2016</u> US\$
Unquoted equity shares at cost	<u>4,527,660</u>	<u>4,527,660</u>

Details of the subsidiaries are as follows:

<u>Name of Subsidiaries</u>	<u>Principal Activities</u>	<u>Country of incorporation and operation</u>	<u>Cost of investment</u>		<u>Percentage of holding</u>	
			<u>2017</u> US\$	<u>2016</u> US\$	<u>2017</u> %	<u>2016</u> %
Ruchi Agri Plantations (Cambodia) Pte. Ltd.	Agricultural investments	Cambodia	2,000,000	2,000,000	100	100
Ruchi Agri SARL	General Wholesale Trading (Imports & Exports)	Madagascar	4,849	4,849	100	100
Ruchi Agritrading Pte Ltd	General Wholesale Trading (Imports & Exports)	Singapore	2,000,100	2,000,100	100	100
Palmolein Industries Pte Ltd	General Wholesale Trading (Imports & Exports)	Cambodia	5,000	5,000	100	100
Ruchi Middle East DMCC	General Wholesale Trading (Imports & Exports)	United Arab Emirates	517,711	517,711	100	100

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. INVESTMENTS IN SUBSIDIARIES – cont'd

a) Impairment test

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiaries. The review revealed no impairment in value required during the financial year. The recoverable amount of the relevant investment in subsidiaries have been determined on the basis of their net assets values at the end of the reporting period as in the opinion of the management of the company, the net assets value of these subsidiaries reasonably approximate the fair values less costs to sell.

b) Others

One set of consolidated financial statements of the company and its subsidiaries is not prepared as the company itself is a wholly-owned subsidiary of another corporation, which prepares consolidated financial statements available for public use. The registered office of the ultimate holding company, Ruchi Soya Industries Limited preparing the consolidated financial statements, is Ruchi House, Royal Palms, Survey No. 169, Aarey Milk Colony, Near Mayur Nagar, Goregaon (East), Mumbai – 400 065, Maharashtra, India.

The amounts due from subsidiaries are unsecured, interest free and are repayable on demand.

10. OTHER RECEIVABLES

	<u>2017</u> US\$	<u>2016</u> US\$
Other receivables:		
- subsidiaries (Note 9)	3,139,502	3,218,300
- related party	<u>528,598</u>	<u>411,269</u>
	<u>3,668,100</u>	<u>3,629,569</u>

The loan amount due from subsidiaries and related party is unsecured, interest free and is repayable on demand.

Other receivables are denominated in United States dollars.

11. OTHER CURRENT ASSET

	<u>2017</u> US\$	<u>2016</u> US\$
Advances	<u>-</u>	<u>28,300</u>

Other current assets are denominated in United States dollars.

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. CASH AND CASH EQUIVALENTS

	<u>2017</u> US\$	<u>2016</u> US\$
Cash and cash equivalents	<u>29</u>	<u>33,728</u>

Cash and cash equivalents comprise cash at bank.

Cash and cash equivalents are denominated in the following currencies:

	<u>2017</u> US\$	<u>2016</u> US\$
United States dollar	14	26,867
Singapore dollar	<u>15</u>	<u>6,861</u>
	<u>29</u>	<u>33,728</u>

13. OTHER INCOME

	<u>2017</u> US\$	<u>2016</u> US\$
Interest income	<u>16,397</u>	<u>8,273</u>

14. INCOME TAX EXPENSE

a) Major component of income tax expenses

The major components of income tax expenses are as follows:

	<u>2017</u> US\$	<u>2016</u> US\$
Current tax	<u>-</u>	<u>-</u>

b) Relationship between income tax expense and accounting loss

The income tax benefit varied from the amount of income tax expense determined by applying the Singapore Income Tax rate at 17% (2016: 17%) to profit before income tax as a result of the following differences:

	<u>2017</u> US\$	<u>2016</u> US\$
Loss before income tax	<u>(19,037)</u>	<u>(4,390)</u>
Income tax benefit at statutory rate	(3,236)	(746)
Tax effect of:		
- statutory stepped income exemption	-	-
Tax loss disregarded	<u>3,236</u>	<u>746</u>
Income tax expense for the year	<u>-</u>	<u>-</u>

RUCHI INDUSTRIES PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

14. INCOME TAX EXPENSE – cont'd

c) Income tax payable

The movement in provision for income tax is as follows:

	<u>2017</u> US\$	<u>2016</u> US\$
At beginning of year	-	-
Income tax paid	-	-
Tax expense	-	-
Under provision of prior year tax	-	-
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>

15. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

RUCHI INDUSTRIES PTE. LTD.

DETAILED PROFIT AND LOSS STATEMENT

FOR THE YEAR ENDED 31 MARCH 2017

	<u>2017</u> US\$	<u>2016</u> US\$
Revenue	-	-
Other income		
Interest income	<u>16,397</u>	<u>8,273</u>
	16,397	8,273
Cost and Expenses		
Other expenses		
Auditor's remuneration:	1,560	1,590
Bank charges	963	3,746
Foreign currency exchange loss	319	281
General expenses	7	-
Legal and professional fee	3,910	6,574
Subscription	-	472
Tax fee	375	-
Upkeep of computers	28,300	-
	<u>35,434</u>	<u>12,663</u>
Loss before income tax	<u>(19,037)</u>	<u>(4,390)</u>

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