READYMADE STEEL SINGAPORE PTE. LTD.

(Incorporated in Singapore)
Reg. No.: 201130601Z

Financial Statements for the year ended 31 March 2015

AAA ASSURANCE PAC
Public Accountants and Chartered Accountants
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The director submits the director's report and the audited financial statements of the Company for the financial year ended 31 March 2015.

DIRECTOR

The director of the Company in office at the date of this report is:

Anil Dhanpatlal Agrawal

ARRANGEMENT TO ENABLE DIRECTOR TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the director of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or other body corporate.

DIRECTOR'S INTEREST IN SHARES

According to the register of director's shareholdings required to be kept under Section 164 of the Companies Act Cap 50, the under mentioned persons who were directors of the Company at the end of the financial year had interests in the shares of the Company as detailed below.

	Shareholdings Registered in the Name of the Director		Shareholdings in which Director are deemed to have an interest	
	At 1.4.2014	At 31.3.2015	At 1.4.2014	At 31.3.2015
	Number of Shares			
The Company				
Ordinary Shares				
Anil Dhanpatlal Agrawal	-	-	6,548,574	6,548,574
Holding Company				
Kridhan Infra Ltd. (f.k.a. Readymade Steel India Limited)				
Ordinary Shares				
Anil Dhanpatlal Agrawal	5,265,000	29,325,000	-	-

DIRECTOR'S CONTRACTUAL BENEFITS

Since the end of previous financial year, no director has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, other than those disclosed in the financial statements.

SHARE OPTIONS

No options to take up unissued shares of the Company were granted during the financial year.

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

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

INDEPENDENT AUDITORS

AAA Assurance PAC, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

Signed by,

Anil Dhanpatlal Agrawal
Director

30 OCT 2015

Singapore

In my opinion,

(i) the accompanying Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the financial year then ended, and

(ii) 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.

Signed by,

Anil Dhanpatlal Agrawal
Director

30 OCT 2015
Singapore

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYMADE STEEL SINGAPORE PTE. LTD. (Reg No: 201130601Z)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **READYMADE STEEL SINGAPORE PTE. LTD.** (the "Company"), which comprise the Statement of Financial Position as at 31 March 2015, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company for the financial year then ended and a summary of significant accounting policies and other explanatory notes.

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 (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

AUDITORS' 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's 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 the 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 qualified audit opinion.

BASIS FOR QUALIFIED OPINION

Bank borrowings - secured
The carrying amount of bank borrowings is $10,259,469 as stated in the statement of financial position as at 31 March 2015 however the revaluation amount of bank borrowing shall be $11,298,788 as at 31 March 2015. The adjustment of $1,039,319 has not been made to the financial statements. As a result, bank borrowing and loss on exchange difference is understated by $1,039,319 in the statement of financial position and statement of comprehensive income, respectively. If the adjustment has been made, this would result the increase in net current liabilities of $1,039,319, decrease in equity and profit after tax of $1,039,319.

Provision for Taxation
The Company has disagreed to recognise provision for taxation of $76,035 as at 31 March 2015.

QUALIFIED OPINION

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 financial position of the Company as at 31 March 2015, the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

EMPHASIS OF MATTERS

Without qualifying our opinion, we draw attention to Note 2(a) to the financial statements. As at 31 March 2015, the Company was in a net current liabilities position of $3,439,524. The management has obtained financial support from the holding company of the Company that they intend to provide adequate funds to enable the Company to meet its liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months.

OTHER MATTERS

The financial statements for the financial year ended 31 March 2014 was audited by another firm of auditors, whose report was dated 22 August 2014 and expressed an unqualified opinion on those financial statements.

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.

AAA ASSURANCE PAC
Public Accountants and Chartered Accountants

30 OCT 2015
Singapore

	Note	2015 $	2014 $
Turnover		-	-
Other Income	4	5,322,644	4,585,190
Other Operating Expenses	5	(615)	(6,826)
Interest Expenses		(736,213)	(761,107)
Profit Before Taxation		**4,585,816**	**3,817,257**
Taxation	6	-	-
Profit After Taxation		**4,585,816**	**3,817,257**
Other Comprehensive Income		-	-
Total Comprehensive Income		**4,585,816**	**3,817,257**

The annexed notes form an integral part of the audited financial statements.

	Note	2015 $	2014 $
Non-Current Assets			
Investment in Subsidiary	7	25,799,334	23,799,334
Current Assets			
Cash and Bank Balances	8	8,857	92,779
Sundry Receivables		1,003,456	2,085,880
		1,012,313	2,178,659
Current Liabilities			
Accruals		2,000	2,000
Amount Due to Holding Company	9	356,633	104,075
Amount Due to Related Party	10	-	52,558
Amount Due to Director	11	68,000	60,000
Bank Borrowings - Secured	12	4,025,204	3,714,795
		4,451,837	3,933,428
Net Current Liabilities		(3,439,524)	(1,754,769)
		22,359,810	22,044,565
Non-Current Liabilities			
Bank Borrowings - Secured	12	(6,234,265)	(10,204,836)
		16,125,545	**11,839,729**
Equity			
Share Capital	13	6,548,574	6,548,574
Retained Earnings		9,576,971	5,291,155
		16,125,545	**11,839,729**

The annexed notes form an integral part of the audited financial statements.

	Share Capital $	Retained Earnings $	Total $
Balance as at 1 April 2013	**6,548,574**	**1,717,531**	**8,266,105**
Total Comprehensive Income for the Financial Year	-	3,817,257	3,817,257
Dividends Paid **(Note 14)**	-	(243,633)	(243,633)
Balance as at 31 March 2014	**6,548,574**	**5,291,155**	**11,839,729**
Total Comprehensive Income for the Financial Year	-	4,585,816	4,585,816
Dividends Paid **(Note 14)**	-	(300,000)	(300,000)
Balance as at 31 March 2015	**6,548,574**	**9,576,971**	**16,125,545**

The annexed notes form an integral part of the audited financial statements.

	2015 $	2014 $
Cash Flows from Operating Activities		
Profit before taxation	**4,585,816**	**3,817,257**
Adjustments for:		
Interest Expenses	736,213	761,107
Operating Cash Flows before Working Capital Changes	**5,322,029**	**4,578,364**
Working Capital Changes:		
Sundry Receivables	1,082,424	(1,185,580)
Accruals	-	-
Net Cash Generated from Operating Activities	**6,404,453**	**3,392,784**
Cash Flows from Financing Activities		
Amount Due to Holding Company	252,558	30,352
Amount Due to Related Party	(52,558)	(1,259)
Amount Due to Director	8,000	50,000
Dividends Paid	(300,000)	(243,633)
Repayment to Bank Borrowings	(3,660,162)	(501,627)
Interest Paid	(736,213)	(761,107)
Net Cash Used in Financing Activities	**(4,488,375)**	**(1,427,274)**
Cash Flows from Investing Activity		
Acquisition of Investment in Subsidiary	(2,000,000)	(3,200,000)
Net Cash Flows Used in Investing Activity	**(2,000,000)**	**(3,200,000)**
Decrease in Cash and Cash Equivalents	**(83,922)**	**(1,234,490)**
Cash and Cash Equivalents at Beginning of Financial Year	92,779	1,327,269
Cash and Cash Equivalents at End of Financial Year	**8,857**	**92,779**
Comprising of:		
Cash at Bank	**8,857**	**92,779**

The annexed notes form an integral part of the audited financial statements.

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

1. Corporate Information

The Company is a limited private Company, incorporated and domiciled in Singapore. The address of its registered office is 58, Sungei Kadut Drive, Singapore 729572.

The principal activities of the Company are those of general wholesale trade. However, the Company did not trade during the financial year except that of receiving dividends.

There has been no significant change in the nature of these activities during the financial year.

Immediate and Ultimate Holding Company

The immediate and ultimate holding company is Kridhan Infra Ltd. (f.k.a. Readymade Steel India Limited), a Company incorporated in India. The principal activity of the ultimate holding company is providing customised and prefabricated steel products for construction companies in India.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollars ("SGD" or "$") which is the Company's functional currency. All financial information is presented in Singapore Dollars unless otherwise stated.

The Company's total current liabilities exceeded its total current assets by $3,439,524 (2014: $1,754,769). These factors raise substantial doubt that the Company will be able to continue as a going concern. However, the holding company have indicated their willingness to provide continuing financial support to settle its debts as and when they fall due. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

New Accounting Standards and Interpretations
In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has no material effect on the financial statements.

New Accounting Standards and Interpretations Not Yet Adopted
New FRS, amendments to FRS and interpretations that are not yet effective for the financial year beginning on or after 1 April 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company upon initial application.

(b) Basis of Consolidation

These financial statements are separate financial statements of **Readymade Steel Singapore Pte. Ltd.**. The Company is exempted from the preparation of consolidated financial statements as the Company is a wholly-owned subsidiary of **Kridhan Infra Ltd.**, a Company incorporated in India and listed on Bombay Stock Exchange, which produces consolidated financial statements available for public use. The significant subsidiaries of the Company and the basis on which the subsidiaries are accounted for is disclosed in Note 8. The registered office of **Kridhan Infra Ltd.** is A/13, Cross Road, No. 5, Kondivita Road, Marol, M.I.D.C, Andheri (East), Mumbai- 400 093

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised.

Dividend Income from investments is recognised when the shareholders' rights to receive payment have been established.

2. Significant Accounting Policies - continued

(d) Income Taxes

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the financial years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the statement of financial position date.

At each statement of financial position date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it is has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

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

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include bank and cash balances, deposits with financial institutions which are subject to an insignificant risk of change in value.

(f) Financial Assets

Financial assets, include cash and financial instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available - for - sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognised at fair value, plus transaction costs.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each reporting datewhether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are then classified as non-current assets.

2. Significant Accounting Policies - continued

(f) Financial Assets - continued

Loans and Receivables - continued

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date of the impairment is reversed. Any reversal is recognised in the profit or loss.

Receivables are provided against when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows. Loans and receivables include trade and non-trade balances with third parties.

(g) Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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

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

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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

(h) Investment in Subsidiary

Investment in subsidiary is stated at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiary, the differences between net disposal proceeds and the carrying amount of the investment is taken to the profit or loss.

(i) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds it recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

2. Significant Accounting Policies - continued

(i) Impairment of non-financial assets - continued

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing the 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 or cash-generating unit.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(j) Financial Liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the profit or loss.

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the year of borrowings using effective interest method.

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

Borrowings which are due to be settled within twelve months after the reporting date are in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date. Borrowings to be settled within the Company's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the reporting date are included in the non-current borrowings in the statement of financial position.

Accruals, amount due to holding company, amount due to related party, amount due to director and bank borrowings - secured are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(k) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(l) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

(m) Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

(n) Functional and Foreign Currencies

(i) Functional currency

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Company (the "functional currency"). The financial statements are presented in Singapore dollars, which is the functional currency of the Company.

2. Significant Accounting Policies - continued

(n) Functional and Foreign Currencies - continued

(ii) Foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rates ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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.

All exchange differences are taken to profit or loss.

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

(o) Related Party

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

3. Critical Accounting Estimates, Assumptions and Judgements

In the application of the Company's accounting policies which are described in Note 2, 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 result 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 estimate 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.

Critical judgements in applying the Company's accounting policies

In the process of applying the accounting policies, there are no critical judgments made by the management in applying accounting policies which has significant effects on the amounts recognised in the financial statements.

Key sources of estimating uncertainty

Management is of the opinion that there are no key assumptions made concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Other Income

	2015 **$**	**2014** **$**
Dividend Income	4,500,000	4,500,000
Exchange Gains	105,230	85,190
Interest Charge on Advances	417,414	-
Management Fees	300,000	-
	5,322,644	4,585,190

5. Other Operating Expenses

	2015 **$**	**2014** **$**
Legal and Professional Fees	-	6,130
Others	615	696
	615	6,826

6. Taxation

	2015	2014
	$	$
(a) Tax Expense		
Current Taxation – on the results for the financial year	-	-

(b) Reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial years were as follows:

	2015	2014
	$	$
Profit before Taxation	4,585,816	3,817,257
Tax calculated at tax rate of 17% (2014: 17%)	779,589	648,934
Tax effect on non-deductible expenses	125,261	130,548
Tax effect on income not subject to tax	(782,889)	(765,000)
Tax effect on exemptions and tax rebate	(45,926)	(14,482)
Others	(76,035)	-
Tax Expense	-	-

Others in the tax computation is current year taxation not recognised by the Company.

7. Investment in Subsidiary

The following information relates to the subsidiary:

	2015	2014
	$	$
Unquoted Shares At cost	25,799,334	23,799,334

Name of Company (Country of Incorporation and Place of Business)	**Principal Activities**	**Percentage of Equity Held**	**Cost of Investment**
		%	$
KH FOGES PTE LTD * (Singapore)	Civil engineering, piling, foundation and geotechnical works, mixed construction acitivities and marine services.	90	25,799,334

* Audited by Ernst and Young LLP, Singapore.

The shareholding in the above investment has been pledged with a bank for banking facility purposes ***(Note 12)***.

8. Cash and Bank Balances

At the statement of financial position date, Cash and Bank Balances are denominated in the following currencies:

	2015	2014
	$	$
Singapore Dollars	1,641	16,250
United States Dollars	7,216	76,529
	8,857	92,779

9. Amount Due to Holding Company

The above is unsecured, interest-free, non-trade in nature and repayable upon demand.

10. Amount Due to Related Party

The above is unsecured, interest-free, non-trade in nature and repayable upon demand.

11. Amount Due to Director

The above is unsecured, interest-free, non-trade in nature and repayable upon demand.

12. Bank Borrowings - Secured

	2015 $	2014 $
Term Loan - secured	10,259,469	13,919,631
	10,259,469	13,919,631
Analysed as:		
Payable within 1 year	4,025,204	3,714,795
Payable within 2-5 years	6,234,265	10,204,836
	10,259,469	13,919,631

Term Loan

The term loan was obtained to finance the Company's investment in subsidiary. The loan is repayable over 5 years with a half yearly repayment of US$1,400,000 commencing from March 2013. The average interest rate exposure to the Company for the facility is the aggregate of the applicable margin and BBA LIBOR.

The term loan is secured by the following:

a. Pledge of entire shareholding of immediate and ultimate holding Company in the Company

b. Pledge of entire shareholding of the Company in its subsidiary ***(Note 7)***

c. Assignment of share purchase agreement

d. Charge over DSRA account of the Company

e. Charge on all existing unencumbered fixed assets of its subsidiary and the Company

f. Legal mortgage of the Director's residential bungalow

g. Corporate guarantee from immediate and ultimate holding Company

h. Corporate guarantee from its subsidiary

i. Personal guarantee by a director of the Company

13. Share Capital

	2015	2014	2015	2014
	No of Shares		$	$
Issued and Paid Up Shares	6,548,574	6,548,574	6,548,574	6,548,574

All issued ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual asset.

14. Dividends

During the financial year, one-tier tax exempt interim dividends of $0.05 (2014:$0.04) per ordinary share amounting to $300,000 (2014: $243,633) were paid to shareholders in respect of the current financial year ended 31 March 2015.

15. Related Party Transactions

In addition to the information disclosed elsewhere in the financial statement, the Company made the following transactions with its related parties, at rates and terms agreed between them:

	2015 $	2014 $
Transactions with Subsidiary:		
Dividend Income	4,500,000	4,500,000
Management Fees	300,000	-

16. Financial Risk Management

The main risks arising from the Company's financial instruments are summarised as follows:

Market Risk

Price Risk

The Company has insignificant exposure to equity price risk as it does not hold any equity financial assets.

Interest Rate Risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their bank borrowings. The Company does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. It is the Company's policy to obtain the most favourable interest rate available whenever the Company obtains additional financing through bank borrowings.

Sensitivity Analysis for Interest Rate Risk

At the end of the reporting period, if SGD interest rates had been 50 (2014: 50) basis points lower/higher with all other variables held constant, the Company's profit before tax would have been $51,297 (2014: $69,598) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility as in prior financial years.

Credit Risk

The Company adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Customers' payment profile and credit exposure are continuously monitored by the management.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position The Company's major classes of financial assets are bank deposits and trade receivables and other receivables.

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

(ii) *Financial assets that are past due and/or impaired*

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

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no significant exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading and investment activities. The Company does not use derivative financial instruments such as foreign currency forward exchange contracts and currency options.

The Company's currency exposures based on the information provided to key management were as follows:

At 31 March 2015	**USD** **$**
Financial assets	
Cash and bank balances	7,216
Sundry Receivables	1,003,456
	1,010,672
Financial liabilities	
Bank Borrowings - Secured	10,259,469
	(10,259,469)
Currency exposure	(9,248,797)

16. Financial Risk Management – continued

Foreign Currency Risk – continued

At 31 March 2014	USD $
Financial assets	
Cash and bank balances	76,529
Sundry Receivables	2,085,880
	2,162,409
Financial liabilities	
Bank Borrowings - Secured	13,919,631
	(13,919,631)
Currency exposure	(11,757,222)

A 3% strengthening of Singapore dollar against the foreign currencies denominated balances as at the reporting date would (increase)/decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Loss After Tax	
	2015 $	**2014** $
United States Dollars (USD)	(230,295)	(292,755)

A 3% weakening of Singapore dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Liquidity Risk

Liquidity risk arises in the general funding of the Company's business activities. It includes the risks of not being able to fund the business activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the shareholders.

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

	On demand or within 1 year $	Within 2 – 5 years $	Total $
2015			
Financial Assets			
Cash and Bank Balances	8,857	-	8,857
Sundry Receivables	1,003,456	-	1,003,456
	1,012,313	-	1,012,313
Financial Liabilities			
Accruals	2,000	-	2,000
Amount due to Holding Company	356,633	-	356,633
Amount Due to Director	68,000	-	68,000
Bank Borrowings - Secured	4,025,204	6,234,265	10,259,469
	(4,451,837)	(6,234,265)	(10,686,102))
Net Undiscounted Financial Liabilities	**(3,439,524)**	**(6,234,265)**	**(9,673,789)**

16. Financial Risk Management – continued

Liquidity Risk – continued

	On demand or within 1 year $	Within 2 – 5 years $	Total $
2014			
Financial Assets			
Cash and Bank Balances	92,779	-	92,779
Sundry Receivables	2,085,880	-	2,085,880
	2,178,659	-	2,178,659
Financial Liabilities			
Accruals	2,000	-	2,000
Amount due to Holding Company	104,075	-	104,075
Amount due to Related Company	52,558	-	52,558
Amount Due to Director	60,000	-	60,000
Bank Borrowings - Secured	3,714,795	10,204,836	13,919,631
	(3,933,428)	(10,204,836)	(14,138,264)
Net Undiscounted Financial Liabilities	**(1,754,769)**	**(10,204,836)**	**(11,959,605)**

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. The management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since last financial year.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowing plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	2015 $	2014 $
Net Debt	10,677,245	14,045,485
Total Equity	16,125,545	11,839,729
Total Capital	26,802,790	25,885,214
Gearing Ratio	**40%**	**54%**

17. Financial Instruments

(a) Fair Values

The carrying amount of the financial assets and financial liabilities approximate their fair values. The Company does not anticipate that the carrying amounts recorded at Statement of Financial Position date would be significantly different from the values that would eventually be received or settled.

17. Financial Instruments – continued

(b) Classification of Financial Instruments

The following tables set out the classification of financial instruments at the end of the reporting financial years:

	Loans and Receivables	Liabilities at Amortised Cost
2015	$	$
Financial Assets		
Cash and Bank Balances	8,857	-
Sundry Receivables	1,003,456	-
Financial Liabilities		
Accruals	-	2,000
Amount due to Holding Company	-	356,633
Amount Due to Director	-	68,000
Bank Borrowings - Secured	-	10,259,469
2014		
Financial Assets		
Sundry Receivables	2,085,880	-
Cash and Bank Balances	92,779	-
Financial Liabilities		
Accruals	-	2,000
Amount due to Holding Company	-	104,075
Amount due to Related Company	-	52,558
Amount Due to Director	-	60,000
Bank Borrowings - Secured	-	13,919,631

18. Comparative figures

The following comparative figures have been reclassified to conform with current year's presentation:

	As stated S$	Reclassified S$	As previously reported S$
Statements of Financial Position			
Current Liability			
Bank Borrowings – Secured	3,714,795	184,555	3,530,240
Non – Current Liability			
Bank Borrowings – Secured	10,204,836	(184,555)	10,389,391

READYMADE STEEL SINGAPORE PTE. LTD.

Detailed Profit and Loss Account
for the year ended 31 March 2015

	2015 $	2014 $
Turnover	-	-
Other Income		
- Dividend Income	4,500,000	4,500,000
- Exchange Gains	105,230	85,190
- Interest Charge on Advances	417,414	-
- Management Fees	300,000	-
	5,322,644	4,585,190
Other Operating Expenses		
Bank Charges	615	696
Legal and Professional Fees	-	6,130
	(615)	(6,826)
Interest on Term Loan	(736,213)	(761,107)
Profit Before Taxation	**4,585,816**	**3,817,257**

The above statement does not form part of the audited financial statements.