

IPCL PTE. LTD.

(Incorporated in Singapore)

Company Reg No.: 201326959C

Audited Financial Statements for the year ended 31 March 2017

AAA Assurance PAC
Public Accountants and Chartered Accountants
180B Bencoolen Street
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The directors are pleased to present their statement to the members together with the audited financial statements of IPCL PTE. LTD. (the "Company") for the financial year ended 31 March 2017.

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, the ability of the Company to pay its debts as and when they fall due depends on the continual financial support of the holding Company.

Directors

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

Dinesh Ramaraju
Goswami Asok Kumar (appointed on 18 July 2016)

Arrangements to Enable Directors to Acquire Shares or Debentures

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

Directors' Interest in Shares or Debentures

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

Share Options

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


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

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


Independent auditor

The independent auditor, AAA Assurance PAC, has expressed its willingness to accept re-appointment as auditor.

Signed by the Board of Directors



Dinesh Ram Raju
Director



Goswami Asok Kumar
Director



Singapore
24 MAY 2017



AAA ASSURANCE PAC

PUBLIC ACCOUNTANTS

CHARTERED ACCOUNTANTS

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Co. Reg. No. 201408818E

**Independent Auditor's Report to the Member of
IPCL PTE. LTD.
Company Reg No. 201326959C**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IPCL Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial statements, which indicates that the Company's total and current liabilities exceeded its total and current assets by \$150,410 (2016: \$76,099) and \$300,272 (2016: \$225,961) respectively. As stated in Note 2(a), these events on conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Directors' statement set out on pages 2 to 3.

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**Independent Auditor's Report to the Member of
IPCL PTE. LTD. - continued
Company Reg No. 201326959C**

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 on this regard.

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.



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Independent Auditor's Report to the Member of
IPCL PTE. LTD. - continued
Reg No. 201326959C

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

AAA Assurance PAC
Public Accountants and Chartered Accountants

Singapore
24 MAY 2017

		<u>2017</u>	<u>2016</u>
	Note	\$	\$
Revenue		-	-
Administrative and Other Expenses		(12,727)	(11,599)
Interest on Loan from Holding Company		(61,584)	(50,790)
Loss before Tax	4	<u>(74,311)</u>	<u>(62,389)</u>
Income Tax Expense	5	-	-
Loss for the Year, Representing Total Comprehensive Loss for the Year		<u><u>(74,311)</u></u>	<u><u>(62,389)</u></u>

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

	Note	2017 \$	2016 \$
Non-Current Assets			
Investment in Subsidiary	6	8,193	8,193
Held-to-Maturity Investment	7	141,669	141,669
		<u>149,862</u>	<u>149,862</u>
Current Assets			
Cash and Cash Equivalents		2,833	2,802
Prepayments	8	492,938	492,922
		495,771	495,724
Less: Current Liabilities			
Other Payables	9	14,737	10,726
Amount Due to Holding Company	10	781,306	710,959
		796,043	721,685
Net Current Liabilities		<u>(300,272)</u>	<u>(225,961)</u>
		<u>(150,410)</u>	<u>(76,099)</u>
Equity			
Share Capital	11	12,000	12,000
Accumulated Losses		(162,410)	(88,099)
Equity Attributable to Owners of the Company		<u>(150,410)</u>	<u>(76,099)</u>

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

	Share Capital	Accumulated Losses	Total
	\$	\$	\$
At 1 April 2015	12,000	(25,710)	(13,710)
Loss for the Year, Representing Total Comprehensive Loss for the Year	-	(62,389)	(62,389)
At 31 March 2016	12,000	(88,099)	(76,099)
Loss for the Year, Representing Total Comprehensive Loss for the Year	-	(74,311)	(74,311)
At 31 March 2017	12,000	(162,410)	(150,410)

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

	<u>2017</u>	<u>2016</u>
	\$	\$
Cash Flows from Operating Activities		
Loss before Tax	(74,311)	(62,389)
Adjustment for:		
Interest on Loan	61,584	50,790
Operating Loss before Working Capital Changes	<u>(12,727)</u>	<u>(11,599)</u>
Prepayments	(16)	5
Other Payables	4,011	6,940
Net Cash Used in Operating Activities	<u>(8,732)</u>	<u>(4,654)</u>
Cash Flows from Investing Activities		
Investment in Subsidiary	-	(8,193)
Held-to-Maturity Investment	-	(141,669)
Net Cash Used in Investing Activities	<u>-</u>	<u>(149,862)</u>
Cash Flows from Financing Activities		
Interest Paid	(61,584)	(50,790)
Amount Due to Holding Company	70,347	207,171
Net Cash Generated from Financing Activities	<u>8,763</u>	<u>156,381</u>
Net Increase in Cash and Cash Equivalents	31	1,865
Cash and Cash Equivalents at the Beginning of the Financial Year	2,802	937
Cash and Cash Equivalents at the End of the Financial Year	<u>2,833</u>	<u>2,802</u>
Comprising:		
Cash at Bank	<u>2,833</u>	<u>2,802</u>

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

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

1. Corporate Information

The Company is incorporated and domiciled in Singapore. The registered office of the Company is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of distribution and supply of electrical energy of all kinds and to own and operate and maintain power generation and related activities. There has been no significant change in the nature of these activities during the financial year.

However, the Company did not trade since the incorporation date.

Immediate and Ultimate Holding Company

The company is 100% owned by **INDIA POWER CORPORATION LIMITED**, a company incorporated in India, which is also its ultimate holding company.

2. Significant Accounting Policies

(a) Basis of Preparation

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

The financial statements are presented in Singapore Dollars (\$), which is the Company's functional currency. All financial information is presented in Singapore Dollars rounded to the nearest one-dollar unless otherwise indicated.

As at 31 March 2017, the Company incurred a net loss of \$74,311 (2016: \$62,389) and as at that date, the Company's total and current liabilities exceeded its total and current assets by \$150,410 (2016: \$76,099) and \$300,272 (2016: \$225,961) respectively. The financial statements have been prepared on a going concern basis as the ultimate holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and the ultimate holding Company will not demand for payment due to them from the next twelve month.

Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than in the normal course of business and amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

(b) Adoption of New and Revised Standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2016. The adoption of these standards did not have material effect on the financial statements.

2. **Significant Accounting Policies - continued**

(c) **Standards Issued But Not Yet Effective**

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 April 2016, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

The Company has not adopted the following standards which are potentially relevant to the Company that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
<i>Amendments to FRS 7: Disclosure Initiative</i>	1 Jan 2017
FRS 109 Financial Instruments	1 Jan 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.

(d) **Borrowing Costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(e) **Taxes**

(i) **Current Income Tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

(ii) **Deferred Tax**

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

2. Significant Accounting Policies - continued

(e) Taxes - continued

(ii) Deferred Tax- continued

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

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

(f) Financial Instruments

(i) Financial Assets

Initial Recognition and Measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company has the following non-derivative financial assets: loans and receivables and held-to-maturity investment.

2. Significant Accounting Policies - continued

(f) Financial Instruments - continued

(i) Financial Assets - continued

Subsequent Measurement

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise loan to the director, trade and other receivables and cash and cash equivalents.

Cash and cash equivalent comprise cash at banks and on hand.

Held-to-Maturity Investment

Bonds with fixed or determinable payments and fixed maturity dates where the Company has a positive intent and ability to hold to maturity date are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis except for short-term nature.

De-recognition

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

(ii) Financial Liabilities

Initial Recognition and Measurement

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

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

2. **Significant Accounting Policies - continued**

(f) **Financial Instruments - continued**

(ii) **Financial Liabilities - continued**

Subsequent Measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise trade and other payables, amount due to director, amount due to bankers, hire purchase creditor and bank borrowings.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, 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 profit or loss.

(g) **Impairment of Financial Assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial Assets Carried at Amortised Cost

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2. Significant Accounting Policies - continued

(g) Impairment of Financial Assets - continued

Financial Assets Carried at Amortised Cost - continued

When the asset becomes uncollectible, the carrying amount of impaired financial asset 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 amount 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 debtor and default or significant delay in payments.

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

(h) Related Party

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to the Company if that person:
 - a) Has control or joint control over the Company;
 - b) Has significant influence over the Company; or
 - c) Is a member of the key management personnel of the Company or of a parent of the Company.

- (ii) An entity is related to the Company if any of the following applies:
 - a) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);
 - c) Both entities are joint ventures of the same third party;
 - d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - e) 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;
 - f) The entity is controlled or jointly controlled by a person identified in (i) above;

2. Significant Accounting Policies - continued

(h) Related Party - continued

- (ii) An entity is related to the Company if any of the following applies: - continued
- g) A person identified in (i)(a) above has significant influence over the entity or is a member of the key management personnel or the entity (or of a parent of the entity).
 - h) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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.

(i) Provisions

General

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

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

(j) Share Capital

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

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company management.

2. Significant Accounting Policies - continued

(l) Investment in Subsidiary

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

(m) Basis of Consolidation

As permitted by FRS 110: Consolidated Financial Statements, no Consolidated Financial Statements for subsidiary is prepared as the company is a wholly owned subsidiary of **India Power Corporation Limited** which issues Consolidated Financial Statements and the shareholders of the Company do not object to the company not presenting Consolidated Financial Statements. **India Power Corporation Limited's** Consolidated Financial Statements can be obtained at the registered address **Plot No. X1 – 2&3, Block – EP, Sector – V, Salt Lake City, Kolkata – 700091.**

(o) Functional Currency Transactions and Balances

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

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

3. Significant Accounting Judgements and Estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments Made in Applying Accounting Policies

Management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements.

3. Significant Accounting Judgements and Estimates - continued

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of Investment in Subsidiary and Held-to-Maturity Investment

The Company assesses at the end of each reporting period whether there is any objective evidence that the investment in a subsidiary and held-to-maturity investment are impaired. To determine whether there is objective evidence of impairment, the Company consider factors such as the industry / sector performance, operational and financing cash flow. Management will exercise significant judgement to evaluate the financial conditions and business prospects of the investments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on the forecasted performance of the subsidiary company and held-to-maturity investment. The carrying amounts of the Company's investments in subsidiary and held-to-maturity investment at the statement of financial position date are disclosed in Note 6 and 7 to the financial statements respectively.

4. Loss before Tax

Loss before tax has been arrived at after charging:

	<u>2017</u>	<u>2016</u>
	\$	\$
Interest on Loan from Holding Company	<u>61,584</u>	<u>50,790</u>

5. Income Tax Expense

There is no tax charges or loss allowed to be carried forward as the Company has not traded since its incorporation.

6. Investment in Subsidiary

	<u>2017</u>	<u>2016</u>
	\$	\$
Unquoted Shares, at Cost	<u>8,193</u>	<u>8,193</u>

6. **Investment in Subsidiary** - continued

Name of Subsidiary (Country of Incorporation and Place of Business)	Principle Activities	Percentage of Equity Held		Cost of Investment	
		2017 %	2016 %	2017	2016
*Edision Power Limited	To own, operate, maintain, supply, distribute all forms of electrical energy and related investment across Europe	51%	51%	<u>8,193</u>	<u>8,193</u>

* The subsidiary is under audit exempted based on host country audit requirement (Article 113 of Companies (Jersey) Law 1991). The subsidiary is not yet operational since its date of incorporation.

7. **Held-to-Maturity Investment**

The Company invested in 0% Optionally Convertible Debentures issued by Edision Power Limited. The debt securities are unquoted.

The Optionally Convertible Debentures is unsecured, interest-free, with no coupon rate and maturity date of 17 December 2018.

8. **Prepayments**

	<u>2017</u>	<u>2016</u>
	\$	\$
Prepayments	<u>492,938</u>	<u>492,922</u>

The Directors of the Company are unable to obtain any correspondence invoices and confirmation from CGC in respect of the progress of consultancy service rendered since financial year ended 31 March 2016. In the absence of information mentioned above, the directors are unable to determine the financial effects and how much shall be charged to expenses in the current financial year.

However, the director is of the view that the further service for the structuring of investment is in progress and is likely to be completed within the next financial year.

9. **Other Payables**

	<u>2017</u>	<u>2016</u>
	\$	\$
Other Payables	9,237	7,726
Accruals	<u>5,500</u>	<u>3,000</u>
	<u>14,737</u>	<u>10,726</u>

10. Amount Due to Holding Company

Amount due to holding company (interest bearing) is non-trade in nature, unsecured and repayable on demand. It is interest-bearing at 8.5% per annum.

11. Share Capital

	<u>2017</u>		<u>2016</u>	
	<u>No. of shares</u>	<u>Amount \$</u>	<u>No. of shares</u>	<u>Amount \$</u>
Issued and Fully Paid Ordinary Shares	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. All shares rank equally to the Company's residual assets.

12. Significant Related Parties Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

	<u>2017</u>	<u>2016</u>
	<u>\$</u>	<u>\$</u>
Interest on Loan from Holding Company	<u>61,584</u>	<u>50,790</u>

13. 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. There has been no change in the objectives, policies and processes since last financial year.

14. Financial Instruments

(a) Fair Values

The fair value of a financial instruments is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

14. Financial Instruments - continued

(a) Fair Values - continued

Cash and Cash Equivalents and Other Payables

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

Amount Due to Holding Company

The carrying amount of loan from holding Company approximate its fair value as it is subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

(b) Financial Instruments by Category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
<u>Loans and Receivables</u>		
Financial Assets		
Cash and Cash Equivalents	2,833	2,802
<u>Held-to-Maturity Investment</u>		
Convertible Debentures	141,669	141,669
<u>Liabilities at Amortised Cost</u>		
Financial Liabilities		
Other Payables	14,737	10,726
Amount Due to Holding Company	781,306	710,959
	<u>796,043</u>	<u>721,685</u>

15. Financial Risk Management

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 assets 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 summarizes the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

15. **Financial Risk Management** - continued

	On Demand or Within 1 Year	
	2017	2016
	\$	\$
<u>Financial Assets</u>		
Cash and Cash Equivalents	2,833	2,802
Held-to-Maturity Investment	141,669	141,669
Total Undiscounted Financial Assets	<u>144,502</u>	<u>144,471</u>
<u>Financial Liabilities</u>		
Other Payables	14,737	10,726
Amount Due to Holding Company	847,717	771,391
Total Undiscounted Financial Liabilities	<u>(862,454)</u>	<u>(781,117)</u>
Total Net Undiscounted Financial Liabilities	<u>(717,952)</u>	<u>(636,646)</u>

16. **Authorisation of Financial Statements for Issue**

The financial statements for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the directors' statement.

	<u>2017</u>	<u>2016</u>
	\$	\$
Revenue	-	-
Administrative and Other Expenses		
Audit Fees	6,887	3,954
Bank Charges	41	323
Professional Fees	4,402	5,996
Secretarial Fees	852	857
General Expenses	494	214
Postage and Telegram	51	255
	(12,727)	(11,599)
Interest on Loan from Holding Company	(61,584)	(50,790)
Loss before Taxation	<u>(74,311)</u>	<u>(62,389)</u>

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