

**CERTUS INVESTMENT  
& TRADING LIMITED  
AND ITS SUBSIDIARIES**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2016**

# **CERTUS INVESTMENT & TRADING LIMITED & ITS SUBSIDIARIES**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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# CERTUS INVESTMENT & TRADING LIMITED

## CORPORATE DATA

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### Date of appointment

**DIRECTORS** : Ashwin Chidambaram Muthiah 05 November 2001  
Zakir Hussein Niamut 19 December 2011  
Yashwant Kumar Beeharee 05 February 2013

**REGISTERED OFFICE** : IFS Court, Bank Street  
TwentyEight  
Cybercity  
Ebene 72201  
Mauritius

**ADMINISTRATOR SECRETARY, REGISTRAR & MAURITIAN TAX AGENT** : International Financial Services Limited  
IFS Court, Bank Street  
TwentyEight  
Cybercity  
Ebene 72201  
Mauritius

**AUDITORS** : **Nexia Baker & Arenson**  
Chartered Accountants  
5<sup>th</sup> Floor, C&R Court  
49, Labourdonnais Street  
Port Louis  
Mauritius

**BANKER** : *(As from 30 January 2016)*  
**AfrAsia Bank Limited**  
NexteraCom Tower III  
18, Cybercity  
Ebene  
Mauritius

*(Up to 9 November 2015)*  
**HSBC Bank (Mauritius) Ltd**  
6<sup>th</sup> Floor, HSBC Centre  
18, Cybercity  
Ebene

## **CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

### **COMMENTARY OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present the audited financial statements of **CERTUS INVESTMENT & TRADING LIMITED** (the “Company”) and that of its subsidiaries for the year ended 31 March 2016.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is to act as an investment holding company and that of its subsidiary, Certus Investment and Trading (S) Private Limited, incorporated in the Republic of Singapore is to carry out the business of sales of industrial chemical. The Company has another wholly owned subsidiary, Proteus Petrochemicals Private Limited, a company incorporated in the Republic of Singapore. This subsidiary company is engaged in the manufacture of Normal Paraffin (Petrochemical) products. The Company together with its two wholly owned subsidiaries, (the “Subsidiaries”), are referred to as the “Group”.

#### **RESULTS AND DIVIDEND**

The results of the Group for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

No dividend has been paid or declared for the year under review (2015: USD Nil).

#### **DIRECTORS**

The present membership of the Board is set out on page 2. All directors served office during the financial year under review.

#### **DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Group and the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Group and the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

The auditors, **Nexia Baker & Aronson**, have indicated their willingness to continue in office until the next Annual Meeting.

**CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **CERTUS INVESTMENT & TRADING LIMITED** under the Mauritius Companies Act 2001 during the financial year ended 31 March 2016.

Sd/-

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**For International Financial Services Limited  
Secretary**

**Registered office:**  
IFS Court, Bank Street  
TwentyEight  
Cybercity  
Ebene 72201  
Mauritius

**Date: 24 May 2016**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**Report on the Group Financial Statements**

We have audited the financial statements of **CERTUS INVESTMENT & TRADING LIMITED (the "Company") and its subsidiaries (together referred as the "Group")** set out on pages 7 to 34, which comprise the statement of financial position as at 31 March 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

***Directors' Responsibility for the Financial Statements***

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirement 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**Report on the Group Financial Statements (continued)**

***Opinion***

In our opinion, the financial statements set out on pages 7 to 34 give a true and fair view of the financial position of the Group and of the Company at 31 March 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

***Other Matter***

This report is made solely to the Company's member, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

**Report on Other Legal and Regulatory Requirements**

***Mauritius Companies Act 2001***

We have no relationship with or interests in the Company and its subsidiaries other than in our capacity as auditors.

We have obtained all information and explanations that we have required.

We were unable to determine whether proper accounting records had been kept.

Sd/-

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**Nexia Baker & Arenson  
Chartered Accountants**

Sd/-

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**Ouma Shankar Ochit FCCA  
Licensed by FRC**

**Date:** 24 May 2016

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016**

	Notes	The Group		The Company	
		2016	2015	2016	2015
		USD	USD	USD	USD
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	6	--	--	--	--
Investments in subsidiary companies	7	--	--	<b>1,875,340</b>	1,875,340
Other asset	8	--	2,000,000	--	--
		<u>--</u>	<u>2,000,000</u>	<u><b>1,875,340</b></u>	<u>1,875,340</u>
<b>Current assets</b>					
Advances and prepayments	9	<b>18,325</b>	5,488,185	<b>18,275</b>	4,646,926
Cash and cash equivalents	10	<b>15,697,121</b>	10,232,561	<b>13,697,321</b>	10,183,751
		<u><b>15,715,446</b></u>	<u>15,720,746</u>	<u><b>13,715,596</b></u>	<u>14,830,677</u>
<b>Total assets</b>		<u><b>15,715,446</b></u>	<u>17,720,746</u>	<u><b>15,590,936</b></u>	<u>16,706,017</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Stated capital	11	<b>20,419,000</b>	20,419,000	<b>20,419,000</b>	20,419,000
Revenue deficit		<b>(5,341,140)</b>	(4,234,192)	<b>(4,849,424)</b>	(3,731,745)
		<u><b>15,077,860</b></u>	<u>16,184,808</u>	<u><b>15,569,576</b></u>	<u>16,687,255</u>
<b>Current liabilities</b>					
Trade and other payables	12	<b>637,523</b>	1,535,938	<b>21,360</b>	18,762
Tax liability	5	<b>63</b>	--	<b>--</b>	--
		<u><b>637,586</b></u>	<u>1,535,938</u>	<u><b>21,360</b></u>	<u>18,762</u>
<b>Total equity and liabilities</b>		<u><b>15,715,446</b></u>	<u>17,720,746</u>	<u><b>15,590,936</b></u>	<u>16,706,017</u>

Approved by the Board for issue on **24 May 2016** and signed on its behalf by:

Sd/-

Director

Sd/-

Director

The notes on page 12 to 34 form and integral part of these consolidated financial statements.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	The Group		The Company	
		2016	2015	2016	2015
		USD	USD	USD	USD
<b>Income</b>					
Other income		<u>50,711</u>	<u>34,942</u>	<u>32,188</u>	<u>25,385</u>
<b>Expenses</b>					
Administration expenses		26,246	15,454	--	--
License fees		2,500	2,500	2,500	2,500
Audit fees		3,450	3,450	3,450	3,450
Bank charges		2,278	1,874	2,278	1,910
Depreciation	6	--	128	--	--
Professional fees		17,539	15,692	17,539	15,692
		<u>52,013</u>	<u>39,098</u>	<u>25,767</u>	<u>23,552</u>
<b>Operating (loss)/profit for the year</b>		<b>(1,302)</b>	<b>(4,156)</b>	<b>6,421</b>	<b>1,833</b>
Impairment of trade receivables		--	(107,439)	--	--
Net exchange (loss) / gain		(1,863)	11,589	--	--
Investment in advance to subsidiary company	13 (i)	--	--	(1,124,100)	--
Payable waived off	12	900,000	--	--	--
Other asset written off	8	(2,000,000)	--	--	--
<b>(Loss)/profit before taxation</b>		<b>(1,103,165)</b>	<b>(100,006)</b>	<b>(1,117,679)</b>	<b>1,833</b>
Taxation	5	(3,783)	(3,810)	--	--
<b>(Loss)/profit for the year</b>		<b>(1,106,948)</b>	<b>(103,816)</b>	<b>(1,117,679)</b>	<b>1,833</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>		--	--	--	--
<i>Items that may be classified subsequently to profit or loss</i>		--	--	--	--
<b>Total comprehensive (loss)/profit for the year</b>		<b>(1,106,948)</b>	<b>(103,816)</b>	<b>(1,117,679)</b>	<b>1,833</b>

The notes on pages 12 to 34 form and integral part of these consolidated financial statements.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

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

**The Group**

	<b>Stated capital</b>	<b>Revenue deficit</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
At 1 April 2014	20,419,000	(4,130,376)	16,288,624
Total comprehensive loss for the year	-	(103,816)	(103,816)
At 31 March 2015	<u>20,419,000</u>	<u>(4,234,192)</u>	<u>16,184,808</u>
Total comprehensive loss for the year	-	(1,106,948)	(1,106,948)
<b>At 31 March 2016</b>	<b><u>20,419,000</u></b>	<b><u>(5,341,140)</u></b>	<b><u>15,077,860</u></b>

The notes on pages 12 to 34 form an integral part of these consolidated financial statements.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016 (CONTINUED)**

**The Company**

	<b>Stated capital</b>	<b>Revenue deficit</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
At 1 April 2014	20,419,000	(3,733,578)	16,685,422
Total comprehensive income for the year	-	1,833	1,833
At 31 March 2015	20,419,000	(3,731,745)	16,687,255
Total comprehensive loss for the year	-	(1,117,679)	(1,117,679)
<b>At 31 March 2016</b>	<b>20,419,000</b>	<b>(4,849,424)</b>	<b>15,569,576</b>

The notes on pages 12 to 34 form an integral part of these consolidated financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	The Group		The Company	
		2016 USD	2015 USD	2016 USD	2015 USD
<b>Cash flows from operating activities</b>					
(Loss)/ before taxation		(1,103,165)	(100,006)	(1,117,679)	1,823
<i>Adjustment for:</i>					
Depreciation	6	--	128	--	--
Interest income		(50,711)	(34,942)	(32,188)	(25,385)
Impairment of advance to subsidiary Company	13 (i)	--	--	1,124,100	--
Payable waived off	12	(900,000)	--	--	--
Other asset written off	8	2,000,000	--	--	--
<b>Operating loss before working capital changes</b>		(53,876)	(134,820)	(25,767)	(23,552)
Decrease/ (increase) in advances and prepayments		5,469,860	(492,561)	(2,598)	--
Increase/(decrease) in trade and other payables		1,585	(15,102)	--	(920)
<b>Cash from / (used in) operations</b>		5,417,569	(642,483)	(23,169)	(24,472)
Income tax paid		(3,720)	(3,810)	--	--
<b>Net cash from/(used in) operating activities</b>		5,413,849	(646,293)	(23,169)	(24,472)
<b>Cash flows from investing activities</b>					
Interest received		50,711	34,942	--	--
Amount advanced to third party	9 (ii)	(3,500,000)	(10,000,000)	--	--
Loan repaid by third party	9 (ii)	3,500,000	10,000,000	--	--
Amount advanced to subsidiary company	13 (i)	--	--	(13,516,000)	(10,000,000)
Advance repaid by subsidiary company	13 (i)	--	--	16,995,797	10,000,000
Interest repaid by subsidiary company		--	--	56,942	62,771
<b>Net cash used in operating activities</b>		50,711	34,942	3,536,739	62,771
<b>Net increase/(decrease) in cash and cash equivalents</b>		5,464,560	(611,351)	3,513,570	38,299
Cash and cash equivalents at beginning of the year		10,232,561	10,843,912	10,183,751	10,145,452
<b>Cash and cash equivalents at end of the year</b>	10	15,697,121	10,232,561	13,697,321	10,183,751

The notes on pages 12 to 34 form and integral part of these consolidated financial statements.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1. General information

The Company was incorporated in Mauritius on 30 October 2001 under the Companies Act 1984, now replaced by the Companies Act 2001, as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The address of the Company's registered office is at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the Group are presented in United States Dollar ("USD"), which is the Group functional and presentation currency.

The principal activity of the Company is to act as an investment holding company. The principal activities of the subsidiary companies are described on page 3.

#### 2. Basis of preparation

(a) *Statement of compliance*

The consolidated financial statements are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS").

(b) *Basis of measurement*

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities which are measured at fair value.

(i) *Functional and presentation currency*

The Group's functional and presentation currency is USD and all values are rounded to the nearest Dollar. USD is the currency of the primary economic environment in which Group operates and its performance is evaluated and its liquidity is managed in USD.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at year-end exchange rates and differences in exchange are accounted for in the statement of profit or loss and other comprehensive income.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 2. Basis of preparation (continued)

##### (c) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### (d) Basis of consolidation

The financial statements incorporate the result of CERTUS INVESTMENT & TRADING LIMITED (the parent company) and that of its subsidiaries, Certus Investment and Trading (S) Private Limited and Proteus Petrochemicals Private Limited collectively referred to as the "Group". The reporting period of the parent company and the Subsidiaries is 31 March 2016. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are from the date on which control is transferred to the Company They are de-consolidated from the date that control ceases.

#### 3. Accounting policies

##### (a) Amendments to published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary.

Entities with plans that require contributions that vary with service will be required to recognize the benefit of those contributions over employee's working lives. *The amendment has no impact on the Group's financial statements.*

##### **Annual Improvements 2010-2012 Cycle**

- IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. *The amendment has no impact on the Group's financial statements.*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

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3. Accounting policies

- (a) Amendments to published Standards and Interpretations effective in the reporting period (continued)

**Annual Improvements 2010-2012 Cycle (continued)**

- IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instrument: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. *The amendment has no impact on the Group's financial statements.*
- IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. *The amendment has no impact on the Group's financial statements.*
- IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions the short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. *The amendment has no impact on the Group's financial statements.*
- IAS 16, 'Property plant and equipment' and IAS 38, 'Intangible Assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. *The amendment has no impact on the Group's financial statements.*
- IAS 24, 'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. *The amendment has no impact on the Group's financial statements.*
- IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortization on revaluation. *The amendment has no impact on the Group's financial statements.*

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

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3. Accounting policies

(a) Amendments to published Standards and Interpretations effective in the reporting period (continued)

**Annual Improvements 2011-2013 Cycle**

- IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. *The amendment has no impact on the Group's financial statements, since the Group is an existing IFRS preparer.*
- IFRS 3, 'Business combination's is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. *The amendment has no impact on the Group's financial statements.*
- IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. *The amendment has no impact on the Group's financial statements.*
- IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. *The amendment has no impact on the Group's financial statement.*

(b) Standards, Amendments to published Standards and interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2016 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective.

IFRS 9 Financial Instruments

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)

IFRS 14 Regulatory Deferral Accounts

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

# CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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### 3. Accounting policies

#### (b) Standards, Amendments to published Standards and interpretations issued but not yet effective (continued)

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)

IFRS 15 Revenue from Contract with Customers

Agriculture : Bearer Plants (Amendments to IAS 16 and IAS 41)

Equity Method in Separate Financial Statements (Amendments to IAS 27)

Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Annual Improvement to IFRSs 2012-2014 Cycle

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Disclosure Initiative (Amendments to IAS 1)

IFRS 16 Leases

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

Amendments to IAS 7 Statement of Cash Flows

Where<sup>4</sup> relevant, the Group is still evaluation the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

#### (c) Financial instruments

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

##### (i) Financial assets

###### *Trade and other receivables*

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Accounting policies (continued)

##### (c) Financial instruments (continued)

##### (i) Financial assets (continued)

###### *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 payment through the expected life of the financial instruments, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments 'at fair value through profit or loss'.

###### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequently recoveries of amounts previously written off are credited to the statement of profit or loss and other comprehensive income. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss and other comprehensive income.

###### *Other investments*

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and is initially measured at fair value, plus directly attributable transaction costs.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Accounting policies (continued)

##### (c) Financial instruments (continued)

##### (i) Financial assets (continued)

###### *Other investments (continued)*

Investments are classified as either investment held-for-trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in the profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in the statement of profit or loss and other comprehensive income for equity investments classified as available-for-sale are subsequently reversed in the statement of profit or loss and other comprehensive income for debt instrument classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

##### (ii) Financial liabilities and equity instruments

###### *Classification as debt or equity*

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument.

###### *Equity instruments*

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

###### *Financial liabilities*

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method with interest expense recognised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Accounting policies (continued)

##### (c) Financial instruments (continued)

###### (ii) Financial liabilities and equity instruments (continued)

###### *Financial liabilities (continued)*

Interest-bearing bank loans and overdrafts are initially measure at fair value, and are subsequently measured at amortise cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement of redemption of borrowing is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs.

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

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount recognised as a provision and the amount initially recognised less accumulated amortisation. Amortisation (if any) is recognised in the statement of profit or loss and other comprehensive income over the guarantee period on a straight-line basis.

##### (d) Impairment of non-financial assets

At end of each reporting period, the Group reviews the carrying amounts of it 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is higher of fair value less costs to sell and value is use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less that its carrying amount, the 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 profit or loss and other comprehensive income.

When 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 years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

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3. Accounting policies (continued)

(e) Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method, as follows:

	No. of years
Computer equipments	3

The estimated useful lives, residual values and depreciation methods are reviewed at end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of profit or loss and other comprehensive income

Fully depreciated assets still in use are retained in the financial statements.

(f) Investment in subsidiary companies

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. In the Company's own separate financial statements, the investments in subsidiaries are stated at cost less any provision in impairment in value. Impairment loss recognised in profit and loss for a subsidiary is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amount that would be realised in a current market exchange.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Accounting policies (continued)

(g) Cash and cash equivalents

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

(h) Related parties

Parties are considered to be related if one party has the ability to control (directly or indirectly) the other party or exercise significant influence over the other party in making financial and operating decisions.

(i) Provision

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

(j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

(k) Sales of goods

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

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

(l) Expense recognition

Expenses are accounted for in the statement of profit or loss and other comprehensive income on an accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**3. Accounting policies (continued)**

(m) Interest income

Interest income is recognised on the accrual basis.

(n) Dividend income

Dividend income is recognised when the shareholders' rights to receive payments have been established.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or scale. All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

(p) Income tax

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

The currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the statement of profit or loss and other comprehensive income because it excludes income or expense items that are taxable or deductible in other years and items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computing taxable profit, and are accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deduction temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

(q) Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settle or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by end of each reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Accounting policies (continued)

(p) Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense statement of profit or loss and other comprehensive income, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities over cost.

(r) Functional and foreign currency

*Functional currency*

Items included in the financial statements of the Group are measured using the currency the best reflects the economic substance of the underlying events and circumstances relevant to entity. The financial statements of the Group are presented in United States Dollars, which is the functional currency of the Group.

*Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currencies of the respective entities in the Group at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rates on that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rates on the dates that the fair value was determined.

The monetary assets and liabilities of foreign operations are translated to United States Dollars at the exchange rates at the end of the reporting period. Non-monetary assets are translated to United States Dollars at historical rate. The income and expenses of foreign operations are translated to United States Dollars at average exchange rates for the year.

Foreign exchange differences are recognised in the currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount in the currency translation reserve is transferred to the statement of profit or loss and other comprehensive income.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 3. Accounting policies (continued)

(s) Stated capital

Ordinary shares are classified as equity.

(t) Payable

Payable is stated at its nominal value.

(u) Loan receivable

Loans receivables are financial assets with fixed or predetermined payment that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans receivables are measured at amortised cost using the effective interest method, less any impairment losses.

#### 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The future accounting estimates will by definition, seldom equal to the actual results.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

##### *Determination of functional currency*

The determination of the functional currency of the Group is critical since recording transaction and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered these factors and have determined that the functional currency of the Group is USD.

##### *Going concern*

The Group's management has made assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 5. Taxation

##### The Company

##### (a) Income tax

The Company is under current laws and regulations, liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80 % of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%.

No Mauritian capital gain tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholders will be exempt in Mauritius from and withholding tax.

At 31 March 2016, the Company had accumulated tax losses of **USD6,162** (2015:USD12,583) which will be carried forward and available for set off against future taxable profits up to the year ending 31 March 2017.

A deferred tax asset of **USD185** (2015:USD377) has not been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

The reconciliation between the actual tax expense and the tax calculated at the applicable rate of 15%

##### (b) Tax reconciliation

The reconciliation between the actual tax expense and the tax calculated at the applicable rate of 15 % for the year under review is follows:

	<u>2016</u> <u>USD</u>	<u>2015</u> <u>USD</u>
(Loss) / Profit before taxation	<u>(1,117,679)</u>	<u>1,833</u>
Tax at the rate of 15 %	(167,652)	275
Tax effect of :		
Non allowable	<u>168,615</u>	--
	<u>963</u>	<u>275</u>
Tax losses brought forward	<u>(1,887)</u>	<u>(2,162)</u>
	<u>(924)</u>	<u>(1,887)</u>
Tax credit of 80 %	<u>739</u>	<u>1,510</u>
Deferred tax not recognised	<u>185</u>	<u>377</u>
Tax charge	<u>--</u>	<u>-</u>

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**5. Taxation (continued)**

**The Subsidiaries**

Income tax

	<u>2016</u> USD	<u>2015</u> USD
Charge for the year	<u>3,783</u>	<u>3,810</u>
<u>Tax liability</u>		
At end of the year	<u>63</u>	<u>--</u>

**6. Plant and equipment**

**The Group**

	<u>Computer equipment USD</u>
<b>Cost</b>	
At 1 April 2014	46,282
Addition during the year	--
At 31 March 2015	<u>46,282</u>
Addition during the year	--
At 31 March 2016	<u>46,282</u>
<b>Depreciation</b>	
At 1 April 2014	46,154
Charge during the year	128
At 31 March 2015	<u>46,282</u>
Charge during the year	--
At 31 March 2016	<u>46,282</u>
<b>Carrying amount</b>	
<b>As at 31 March 2016</b>	<u><u>--</u></u>
As at 31 March 2015	<u><u>--</u></u>

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**7. Investments in subsidiary companies**

**The Company**

	<u>2016</u>	<u>2015</u>
	<u>USD</u>	<u>USD</u>
At beginning and end of the year	<u><b>1,875,340</b></u>	<u>1,875,340</u>

Name of subsidiary companies	Country of incorporation	% holding	Cost		Fair value	
			<u>2016</u>	2015	<u>2016</u>	2015
			<u>USD</u>	USD	<u>USD</u>	USD
Certus Investment and Trading (S) Private Limited	Singapore	100	<b>1,875,339</b>	1,875,339	<b>1,875,339</b>	1,875,339
Proteus Petrochemicals Private Limited	Singapore	100	<u><b>300,000</b></u>	300,000	<u><b>1</b></u>	1
			<u><b>2,175,339</b></u>	<u>2,175,339</u>	<u><b>1,875,340</b></u>	<u>1,875,340</u>

The directors are of opinion that there is no impairment on the value of the investment of Certus Investment and Trading (S) Private Limited at 31 March 2016 and that its fair value approximates at least its cost.

The directors have reviewed the financial position and performance of Proteus Petrochemicals Private Limited. They are of the opinion that the estimated recoverable amount of the investment in Proteus Petrochemicals Private Limited was less its carrying amount and this, the fair value of USDI was maintained.

## CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 8. Other asset

##### Deposit

On 1 November 2010, Proteus Petrochemical Private Limited (“Proteus”) entered into an Engineering Agreement with a Vendor, UOP LLC (“UOP”). Under the agreement, UOP is to provide engineering design specification services in relation to the Company’s project to build a Normal Paraffin Complex (“NP Plant”) at Jurong Island in Singapore.

As of 31 March 2012, Proteus made a total prepayment of USD2,000,000 to UOP. As of that date, the project in Singapore was terminated and UOP had agreed to maintain the engineering design specifications until 31 December 2016 (the “Project Suspension Period”) while Proteus continues to look for another location. The engineering design specification services will be resumed if the project is reactivated before the end of the project suspension period.

At end of the reporting period, management took note that the project will not be reactivated and therefore the other asset amounting to USD2,000,000 was written off.

#### 9. Advances and prepayments

	The Group		The Company	
	2016	2015	2016	2015
	USD	USD	USD	USD
Prepayments	2,275	2,275	2,275	2,275
Short term advances (see note 9 (i))	--	4,869,860	--	--
Interest receivable from subsidiary company	--	--	--	24,754
Advances to subsidiary companies (see note 13 (i))	--	--	16,000	4,619,897
Other receivable (see note 9 (iii))	--	600,000	--	--
Advance to ultimate holding company (see note 13 (ii))	16,050	16,050	--	--
	<b>18,328</b>	5,488,185	<b>18,275</b>	4,646,926

(i) Short term advances amounting to USD4,869,860 have been settled during the year.

(ii) During the year ended 31 March 2016, Certus Investment & Trading (S) Private Limited provided a short term interest bearing loan of 0.35 % per annum of USD 3.5 M to a third party and this amount was fully settled during the year.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**9. Advances and prepayments (continued)**

(i) Other receivable amounting to USD600,000 has been settled during the year.

**10. Cash and cash equivalents**

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>USD</b>	USD	<b>USD</b>	USD
Cash at bank	<b>15,697,121</b>	10,232,561	<b>13,697,321</b>	10,183,751

**11. Stated capital**

	<b>The Company</b>	
	<b>2016</b>	2015
	<b>USD</b>	USD
<u>Issued and fully paid with no par value</u>		
204,190 ordinary shares of USD100 each	<b>20,419,000</b>	20,419,000

The ordinary shares carry:

- (a) the right to one vote on a poll at a meeting of the Company on any resolution;
- (b) the right to an equal share in dividends authorised by the Board; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company.

**12. Trade and other payables**

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>USD</b>	USD	<b>USD</b>	USD
Sundry payables	<b>610,168</b>	603,787	--	--
Other payables (see note below)	--	900,000	--	--
Payable to shareholder (see note 13 (iii))	<b>13,831</b>	13,831	<b>13,831</b>	13,831
Accruals	<b>13,524</b>	18,320	<b>7,529</b>	4,931
	<b>637,523</b>	1,535,938	<b>21,360</b>	18,762

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

12. Trade and other payables (continued)

Other pay amounting to USD900,000 was received from a third party who was a partner (the “Project Partner”) to the NP Plant project. The amount was received pursuant to the final settlement agreement between Proteus and the Project Partner when the NP plant project in Singapore was terminated. This represents 45 % of the prepayment made to UOP for engineering design specification services in relation to Proteus project to build a Normal Paraffin Complex (“NP plant”) at Jurong Island in Singapore (see note 8).

Pursuant to the settlement agreement, in the event that the project is reactivated in another location, and the Project partner is not the partner in the reactivated project, Proteus Petrochemicals Private Limited has to repay the USD900,000 to the Project Partner.

However, as at 31 March 2016, the amount of USD900,000 was waived off.

13. Related party transactions

	The Company	
	2016	2015
	USD	USD
(i) <u>Advances to subsidiary companies</u>		
<i>Receivable from Certus Investment &amp; Trading (S) Private Limited</i>		
At beginning of the year	3,495,797	3,495,797
Advanced during the year	10,000,000	10,100,000
Payment received during the year	(16,995,797)	(10,100,000)
At end of the year	<u>16,000</u>	<u>3,495,797</u>

- The advance to Certus Investment and Trading (S) Private Limited amounting to USD16,000 is unsecured, interest free and receivable on demand.
- The advance to Certus Investment and Trading (S) Private Limited amounting to USD 13,516,000 is unsecured, bears interest at the rate of 0.25 % per annum and is payable in one single tranche on or before 31 March 2016. Interest income for the year 2016 amounted to USD 32,188.
- As at 31 March 2016, interest receivable from Certus Investment & Trading (S) Pte Ltd. amounted to USDNil (2015:USD24,754).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016

13. Related party transactions (continued)

(i) Advances to subsidiary companies (continued)

	<b>The Company</b>	
	<b>2016</b>	2015
	<b>USD</b>	USD
<i>Receivable from Proteus Petrochemicals Private Limited</i>		
At beginning of the year	<b>1,124,100</b>	1,124,100
Impaired during the year	<b>(1,124,100)</b>	--
At end of the year	<b>--</b>	1,124,100
 Total	 <b>16,000</b>	 4,619,897

The receivable from Proteus Petrochemicals Private Limited has been fully impaired during the year since the directors of the Company are of the opinion that this amount will not be recovered.

(ii) Advance to ultimate holding company

	<b>The Group</b>	
	<b>2016</b>	2015
	<b>USD</b>	USD
At beginning and end of the year	<b>16,050</b>	16,050

The advance to Tamilnadu Petroproducts Limited is unsecured, interest free and receivable on demand.

(iii) Payable to share holder

	<b>The Group and Company</b>	
	<b>2016</b>	2015
	<b>USD</b>	USD
At beginning and end of the year	<b>13,831</b>	13,831

The payable to share holder is unsecured, interest fee and repayable on demand.

14. **Holding and ultimate holding company**

The Company is wholly owned by Tamilnadu Petroproducts Limited, a company incorporated in India and regarded by the directors as being its ultimate holding company.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**15. Financial instruments and associated risks**

(a) Fair values

The carrying amounts of the financial assets and liabilities approximate their fair values.

The Group's and Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Group and the Company.

(b) Currency profile

The currency profile of the Group's and the Company's financial assets and liabilities is summarised as follows:

**The Group**

	2016		2015	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Singapore Dollars	8,688	140,087	13,320	141,297
United States Dollars	15,704,483	497,499	15,705,151	1,394,641
	<b>15,713,171</b>	<b>637,586</b>	15,718,471	1,535,938

**The Company**

	2016		2015	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
United States Dollars	13,713,371	21,360	14,828,402	18,762

(c) Foreign currency risk

Foreign currency risk occurs on transactions that are denominated in currencies other than the functional currency of the Group.

Transactions and balances of the Group are mainly denominated in United States Dollars. Hence, the Group does not face any significant exposure to foreign currency risk. The Group does not use any derivative financial instruments to hedge this risk.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**15. Financial instruments and associated risks (continued)**

(d) Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Group. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. The Group maintains an allowance for doubtful debts based upon the recoverability of all accounts receivables and the customers' financial conditions. There were no significant concentrations of credit risk.

The Group places its cash and cash equivalents with creditworthy financial institutions.

The Group's maximum exposure to credit risk is represented by the carrying amount of financial assets recorded in the financial statements, net of each allowances of losses.

(e) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Group holds fixed interest bearing securities and cash. Interest rate movements may affect the level of income receivable on cash deposits and cash equivalents. Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates. However, the interest rate risk of the Group would be insignificant on its cash at bank as at 31 March 2015. The interest on the interest bearing income securities is fixed and as a result, the Company is not subject to the risk due to fluctuation in the prevailing levels of market interest rates. For the reasons set out above, this does not expose the Group to significant risk.

(f) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayments and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient equity funds to finance its operations.

(g) Political, economic and social risks

Political, economic and social factors, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the value of the Group's assets.

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**15. Financial instruments and associated risks (continued)**

(h) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to its member. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

**16. Events after the reporting period**

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2016.