

**ANNUAL REPORT & FINANCIAL STATEMENTS
OF WHOLLY OWNED SUBSIDIARY / SUBSIDIARY COMPANIES
OF
TAMILNADU PETROPRODUCTS LIMITED
(2011-12)**

- ❖ **CERTUS INVESTMENT & TRADING LIMITED
AND ITS SUBSIDIARIES
(FOR THE PERIOD FROM 1ST JANUARY 2011 TO 31ST MARCH 2012)**
- ❖ **CERTUS INVESTMENT AND TRADING(S) PRIVATE LIMITED
(FOR THE PERIOD FROM 1ST JANUARY 2011 TO 31ST MARCH 2012)**
- ❖ **PROTEUS PETROCHEMICALS PRIVATE LIMITED
(FOR THE PERIOD FROM 1ST JANUARY 2011 TO 31ST MARCH 2012)**
- ❖ **SPIC ELECTRIC POWER CORPORATION PRIVATE LIMITED
(AS AT 31ST MARCH 2012)**

Certus Investment & Trading Limited and its Subsidiaries

(A Wholly owned subsidiary of Tamilnadu Petroproducts Limited)

Tenth Annual Report & Consolidated Financial Statements for the period from 1 January 2011 to 31 March 2012

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CORPORATE DATA

DIRECTORS	:	Kapildeo Joory Ashwin Chidambaram Muthiah Zahir Hussein Niamut
REGISTERED OFFICE	:	IFS Court Twenty Eight, Cybercity Ebene Mauritius
SECRETARY	:	International Financial Services Limited IFS Court Twenty Eight, Cybercity Ebene Mauritius
AUDITORS	:	Nexia Baker & Arenson Chartered Accountants 5th Floor, C&R Court, 49, Labourdonnais Street Port Louis, Mauritius
BANKERS	:	HSBC Bank (Mauritius) Limited 6th Floor, HSBC Centre 18, Cybercity, Ebene, Mauritius

NOTICE

Notice is hereby given that the Annual Meeting of the Company will be held at its registered office on 28 September 2012 at 10.30 hours (Mauritius time).

Agenda:

- (i) To consider and adopt the consolidated financial statements for the period from 1 January 2011 to 31 March 2012 along with the commentary of the directors, certificate from the Secretary and auditors' report, and
- (ii) To re-appoint Nexia Baker & Arenson as auditors to hold office until the next Annual Meeting and to authorise the Directors to fix their remuneration.

By order of the Board

Khalil Peerbocus / Ashia Wahedally
For **International Financial Services Limited**.
Secretary

Dated 12 September 2012

NOTES

1. *A member entitled to attend and vote at a meeting of the company may appoint another person as his proxy to attend and vote instead at the meeting.*
2. *A proxy need not also be a member.*

COMMENTARY OF DIRECTORS FOR THE PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

The directors present the audited consolidated financial statements of CERTUS INVESTMENT & TRADING LIMITED (the "Company") and that of its subsidiaries for the period from 1 January 2011 to 31 March 2012.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment holding company and that of its subsidiary, Certus Investment & Trading (S) Pte Ltd, incorporated in the Republic of Singapore is to carry out trading activities. The Group has another wholly owned subsidiary, Proteus Petrochemicals Private Limited (formerly known as TPL India Singapore Pte Ltd), a company incorporated in the Republic of Singapore. This subsidiary company has been set up to manufacture Normal Paraffin (Petrochemical) products. The Group has also invested in Gulf Petroproduct Company E.C., a company in Bahrain, a company dealing in petroproducts.

CHANGE IN THE FINANCIAL YEAR END

Pursuant to a resolution dated 7 December 2011, the Company has changed its financial year end. Consequently, the comparative figures relate to the year ended 31 December 2010 and the current period is from 1 January 2011 to 31 March 2012.

RESULTS AND DIVIDEND

The results for the period are shown in the statement of comprehensive income and related notes.

The directors do not recommend the payment of any dividend for the period under review (2010: Nil).

DIRECTORS

The present membership of the Board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial position, financial performance and cash flows of 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 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 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

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

We certify to the best of our knowledge and belief that the Company has filed with Registrar of Companies all such returns as are required of **CERTUS INVESTMENT & TRADING LIMITED** under the Mauritian Companies Act 2001 during the financial from 1 January 2011 to 31 March 2012.

for **International Financial Services Limited**
Secretary

Registered Office:
IFS Court, Twenty Eight,
Cybercity, Ebene,
Mauritius

Date: 30 August 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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 5 to 16, which comprise the consolidated statement of financial position as at 31 March 2012 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period 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 Mauritian Companies Act 2001. This responsibility includes: designing implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 qualified audit opinion.

Basis for qualified opinion

As stated in Note 8 to the financial statements, the Company accounted its investment in associated company at cost, which is contrary to the requirements of International Accounting Standards 28 - Investments in associates, which stipulates that a company should account investment in associated company using equity method of accounting. In our opinion, equity method of accounting should be used for a proper understanding of the Group's and the Company's state of affairs.

Qualified opinion arising for failure to use equity method of accounting

Except for any adjustments that might be required had the Group and the Company accounted its investment in associated company using the equity method of accounting, in our opinion, the consolidated financial statements set out on page 5 to 16 give a true and fair view of the consolidated financial position of the Group and the Company at 31 March 2012, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting standards and comply with the Mauritian 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 Mauritian 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 auditor's 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 opinion we have formed.

Report on Other Legal and Regulatory Requirements

Mauritian 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 we have required.

In our opinion, proper accounting records have been kept by the Company and its subsidiaries as far as it appears from our examination of those records.

Nexia Baker & Arenson
Chartered Accountants
Date: 30 August 2012

Ouma Shankar Ochit FCCA
Licensed by FRC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 JANUARY 2011 TO 31 MARCH 2012

	Notes	The Group		The Company	
		Period from 1 January 2011 to 31 March 2012 USD	Year ended 31 December 2010 USD	Period from 1 January 2011 to 31 March 2012 USD	Year ended 31 December 2010 USD
INCOME					
Sales		4,390,372	3,398,640	-	-
Interest Income		139,848	49,020	14,601	-
Exchange gain		2,699,000	140,000	-	-
		<u>7,229,220</u>	<u>3,587,660</u>	<u>14,601</u>	<u>-</u>
Less:					
Purchases		(4,387,912)	(3,392,100)	-	-
Gross Profit		<u>2,841,308</u>	<u>195,560</u>	<u>14,601</u>	<u>-</u>
EXPENSES					
Administration expenses		12,420	6,540	12,420	6,540
Secretarial fees		1,875	1,500	1,875	1,500
Director's fees		3,125	2,500	3,125	2,500
Licence fees		1,875	1,500	1,875	1,500
Registration fees		313	-	313	-
Audit fees		2,600	2,250	2,600	2,250
Bank charges		3,341	285	3,341	285
Disbursements		642	434	642	434
Depreciation		19,000	15,000	-	-
Operational expenses		6,315,687	443,928	-	-
		<u>6,360,878</u>	<u>473,937</u>	<u>26,191</u>	<u>15,009</u>
Operating loss for the period/year		<u>(3,519,570)</u>	<u>(278,377)</u>	<u>(11,590)</u>	<u>(15,009)</u>
Capital project written off	6	(34,677)	-	(34,677)	-
Receivable written off	14 (i)	(65,946)	-	(65,946)	-
Loss before taxation		<u>(3,620,193)</u>	<u>(278,377)</u>	<u>(112,213)</u>	<u>(15,009)</u>
Taxation	4	-	-	-	-
Loss for the period/year		<u>(3,620,193)</u>	<u>(278,377)</u>	<u>(112,213)</u>	<u>(15,009)</u>
Other comprehensive income		-	-	-	-
Total comprehensive loss for year/period		<u>(3,620,193)</u>	<u>(278,377)</u>	<u>(112,213)</u>	<u>(15,009)</u>

The notes on pages 7 to 16 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Notes	The Group		The Company	
		31 March 2012 USD	31 December 2010 USD	31 March 2012 USD	31 December 2010 USD
ASSETS					
Non-current assets					
Plant and equipment	5	11,000	26,000	-	-
Capital project in progress	6	-	3,809,786	-	34,677
Investment in subsidiary companies	7	-	-	2,175,339	2,175,339
Investment in associated company	8	430,000	430,000	430,000	430,000
Other asset	9	2,000,000	890,000	-	-
		<u>2,441,000</u>	<u>5,155,786</u>	<u>2,605,339</u>	<u>2,640,016</u>
Current assets					
Inventories		-	33,400	-	-
Advances and prepayments	10	8,032,345	8,892,845	9,560,622	19,624,879
Cash & cash equivalents	11	10,770,133	11,620,850	10,192,063	196,493
		<u>18,802,478</u>	<u>20,547,095</u>	<u>19,752,685</u>	<u>19,821,372</u>
Total assets		<u>21,243,478</u>	<u>25,702,881</u>	<u>22,358,024</u>	<u>22,461,388</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	12	20,419,000	20,419,000	20,419,000	20,419,000
(Revenue deficit)/retained earnings		(3,608,272)	(16,129)	1,845,337	1,957,550
Currency translation reserve		14,831	42,881	-	-
		<u>16,825,559</u>	<u>20,445,752</u>	<u>22,264,337</u>	<u>22,376,550</u>
Current liabilities					
Trade and other payables	13	4,417,919	5,257,129	93,687	84,838
Total equity and liabilities		<u>21,243,478</u>	<u>25,702,881</u>	<u>22,358,024</u>	<u>22,461,388</u>

Approved by the Board on 30 August 2012 and signed on its behalf by:

-Sd-
Director

-Sd-
Director

The notes on pages 7 to 16 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD FROM 01 JANUARY 2011 TO 31 MARCH 2012

The Group

	Stated capital USD	Revenue deficit USD	Currency translation reserve USD	Total USD
As at 1 January 2010	20,419,000	262,248	42,881	20,724,129
Total comprehensive loss for the year	-	(278,377)	-	(278,377)
At 31 December 2010	20,419,000	(16,129)	42,881	20,445,752
Total comprehensive loss for the period	-	(3,620,193)	-	(3,620,193)
Reclassification during the period	-	28,050	(28,050)	-
At 31 March 2012	20,419,000	(3,608,272)	14,831	16,825,559

The Company

	Stated capital USD	Retained earnings USD	Total USD
At 01 January 2010	20,419,000	1,972,559	22,391,559
Total comprehensive loss for the year	-	(15,009)	(15,009)
At 31 December 2010	20,419,000	1,957,550	22,376,550
Total comprehensive loss for the period	-	(112,213)	(112,213)
At 31 March 2012	20,419,000	1,845,337	22,264,337

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01 JANUARY 2011 TO 31 MARCH 2012

	The Group		The Company	
	Period from 1 January 2011 to 31 March 2012 USD	Year ended 31 December 2010 USD	Period from 1 January 2011 to 31 March 2012 USD	Year ended 31 December 2010 USD
Cash flows from operating activities				
Loss before taxation	(3,620,193)	(278,377)	(11,590)	(15,009)
Adjustments for:				
Depreciation	19,000	15,000	-	-
Interest income	(139,848)	(49,020)	(14,601)	-
Translation difference	-	209	-	-
Operating loss before working capital changes	(3,741,041)	(312,188)	(26,191)	(15,009)
Decrease/(increase) in inventories	33,400	(33,400)		
Decrease/(increase) in advances and prepayments	860,500	(1,554,861)	9,998,311	(8,500,250)
(Decrease)/increase trade and other payables	(839,210)	819,189	8,849	(4,738)
Cash used in operations	(3,686,351)	(1,081,260)	9,980,969	(8,519,997)
Income tax paid	-	(1,575)	-	(1,575)
Net cash (used in)/from operating activities	(3,686,351)	(1,082,835)	9,980,969	(8,521,572)
Cash flows from investing activities				
Project work in progress and other asset	2,699,786	(1,540,210)	-	-
Acquisition of plant & equipment	(4,000)	-	-	-
Interest received	139,848	49,020	14,601	-
Net Cash from/(used in) investing activities	2,835,634	(1,491,190)	14,601	-
Net (decrease)/increase in cash and cash equivalents	(850,717)	(2,574,025)	9,995,570	(8,521,572)
Cash and cash equivalents at beginning of the period/ year	11,620,850	14,194,875	196,493	8,718,065
Cash and cash equivalents at end of the period/year	10,770,133	11,620,850	10,192,063	196,493

The notes on pages 7 to 16 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2011 TO 31 MARCH 2012

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, Twenty Eight, Cybercity, Ebene, Mauritius.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group"). These financial statements of the Group are presented in United States dollar ("USD"), which is the Company's 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 in Note 7 to the financial statements.

2. ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards including International Accounting Standards and Interpretations (collectively referred as "IFRS"), except for IAS 28 - Investment in Associates. A summary of the more important accounting policies, which have been applied consistently, is set out below. The preparation of consolidated financial statements in accordance with IFRS requires the directors of the Group to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The directors believe that it is appropriate for the consolidated financial statements to be prepared on the going concern basis.

(b) Basis of consolidation

The consolidated financial statements incorporate the result of CERTUS INVESTMENT & TRADING LIMITED (the parent company) and of its subsidiaries Certus Investment & Trading (S) Pte Ltd and Proteus Petrochemicals Private Limited, collectively referred to as the "Group". The end of the reporting period of the parent company and the subsidiaries is 31 March 2012. Subsidiaries are all entities over which the Group 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 fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(c) Changes in accounting policy and disclosures

The accounting policies are consistent with those of the previous financial year, except for the following new and amended IFRS and effective as of 1 January 2011:

IAS 24 Related party Disclosures

The amended standard clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The related party disclosure note has been amended to reflect the amended standard.

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011.

New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2011 and not early adopted

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.
- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.
- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Group is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2012.
- Amendments to IAS 1 - The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in other comprehensive income section such that items of other comprehensive income are grouped into two categories (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

- IAS 27 (as revised in 2011) - Separate financial statements
- IFRS 10, Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Group. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.
- IAS 28 (as revised in 2011) - Investments in Associates and Joint Ventures

New standards, amendments and interpretations issued but not effective for the financial period beginning 1 January 2011 and not relevant to the Group's operations

- IAS 19; 'Employee benefits' was amended in June 2011. The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in statement of comprehensive income as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability/(asset).
- Amendments to IAS 12 Deferred Tax - recovery of Underlying Asset -The amendments to IAS 12 provide an exception to the general principles in IAS 12 that the measurement of deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 Investment property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances. The amendments to IAS 12 are effective for annual periods beginning on or after 1 January 2012.

(d) Financial instruments

Financial assets and financial liabilities are recognised on the Group's 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 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.

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 the carrying amount is reduced through the use of an allowance account. When a trade and other receivable are uncollectible, it is written off against the allowance account. Subsequently recoveries of amounts previously written off are credited to the statement of comprehensive income. Changes in the carrying amount of the allowance account are recognised in the consolidated statement of 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.

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 comprehensive income for equity investments classified as available-for-sale are subsequently reversed in the statement of comprehensive income for debt instruments 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 arrangements 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.

Interest-bearing bank loans and overdrafts are initially measure at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or 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 comprehensive income over the guarantee period on a straight-line basis.

(e) Impairment of non-financial assets

At each end of the reporting period, the Group reviews the carrying amounts of its 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 in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive loss.

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 comprehensive income.

(f) 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 each year-end, 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 comprehensive income.

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

(g) Investments 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 Group'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 amounts that would be realised in a current market exchange.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash on 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.

(i) 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.

(j) Investment in associated company

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the end of the reporting period at cost as adjusted for post acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which include any long term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the statement of comprehensive income.

Where the Group transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(k) Provisions

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.

(l) 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.

(m) 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 goods sold;
- (iii) the amount of the revenue can be measured reliably;
- (iv) it is probable that the economic benefit 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.

(n) Rendering of services

Revenue from rendering of services is recognised when the services are completed.

(o) Interest income

Interest income is recognised on a time recognition basis using the effective interest method.

(p) Dividend income

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

(q) 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 sale. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(r) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the first-in-first-out formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Due allowance is made for all damaged, obsolete and slow-moving items.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of these inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any allowance for write-down of inventories, arising from an increase in net realisable value is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(s) In capital project in progress

Capital project in progress is stated at cost. Expenditure relating to the construction of a normal paraffin (NP) plant is capitalised when incurred up to the completion of construction. No depreciation is provided on capital project in progress.

(t) Income tax

Income tax expense 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 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 nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by each end of the reporting period. Deferred tax is charged or credited to the statement of 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.

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 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.

(u) Functional and foreign currency

Functional currency

Items included in the financial statements of the Group are measured using the currency that 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 profit or loss.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In the process of applying the Group's and Group's accounting policies, which are described in Note 2, the directors have made the following judgments that have the most effect on the amounts recognised in the financial statements:

Determination of functional currency

The determination of functional currency of the Group and the Group is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. The directors have considered those factors therein and have determined that the functional currency of the Group is the USD.

4. TAXATION

(a) Income tax rate

The Company, under the current laws and regulations, is 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 the actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign sourced income thus reducing the maximum tax rate to 3%. The Company has received a certificate from the Mauritius Revenue Authority that it is a tax resident of Mauritius.

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

For the period under review, the Company has no tax liability and therefore, no provision has been made.

(b) Tax charge

	31 March 2012 USD	31 December 2010 USD
The Group		
Current period/year	-	-
	31 March 2012 USD	31 December 2010 USD
The Company		
Current period/year	-	-

(c) Provision for taxation

	31 March 2012 USD	31 December 2010 USD
The Group		
At beginning of the period/year	-	1,575
Charge for the period/year	-	-
Payment during the period/year	-	1,575
At end of the period/year	-	-
	31 March 2012 USD	31 December 2010 USD
The Company		
At beginning of the period/year	-	1,575
Charge for the period/year	-	-
Payment during the period/year	-	1,575
At end of the period/year	-	-

5. PLANT AND EQUIPMENT

The Group

	Computer equipment USD
Cost	
At 01 January 2010	46,642
Additions during the year	-
At 31 December 2010	46,642
Additions during the period	4,000
At 31 March 2012	50,642
Depreciation	
At 01 January 2010	5,433
Additions during the year	15,209
At 31 December 2010	20,642
Charge during the period	19,000
At 31 March 2012	39,642
Carrying amount	
As at 31 March 2012	11,000
As at 31 December 2010	26,000

6. CAPITAL PROJECT IN PROGRESS

	31 March 2012 USD	31 December 2010 USD
The Company		
At beginning of the period/year	34,677	34,677
Written off during the period/year	<u>(34,677)</u>	<u>-</u>
At end of the period/year	<u>-</u>	<u>34,677</u>
	31 March 2012 USD	31 December 2010 USD
The Group		
At beginning of the period/year	3,809,786	2,269,576
Additions during the period/year	-	1,540,210
Written off during the period/year	<u>(3,809,786)</u>	<u>-</u>
At end of the period/year	<u>-</u>	<u>3,809,786</u>

Capital project in progress represents costs incurred towards construction of a Normal Paraffin Plant ("Plant") in Singapore. However, the Plant does not seem to be commercially viable due to increase in price of raw materials and infrastructure costs. Hence, the capital project in progress had been written off during the period.

7. INVESTMENTS IN SUBSIDIARY COMPANIES

	The Company	
	31 March 2012 USD	31 December 2010 USD
At cost		
At beginning and end of the period/year	<u>2,175,339</u>	<u>2,175,339</u>

Name of companies	Country of incorporation	Principal activities	Percentage of equity held		Cost of investment	
			31 March 2012	31 December 2010	31 March 2012 USD	31 December 2010 USD
Certus Investment & Trading (S) Pte Ltd	Singapore	Trading	100	100	1,875,339	1,875,339
Proteus Petrochemicals Private Limited	Singapore	Manufacture of Normal Paraffin (petrochemicals)	100	100	300,000	300,000
					<u>2,175,339</u>	<u>2,175,339</u>

The directors are of opinion that there is no impairment on the value of the investments at 31 March 2012 and that the fair values approximates at least their cost.

8. INVESTMENTS IN ASSOCIATED COMPANY

		The Group and Company	
		31 March 2012	31 December 2010
		USD	USD
At cost			
At beginning and end of the period/year		<u>430,000</u>	<u>430,000</u>

Name of companies	Country of incorporation	Principal activity	Percentage of equity held		Cost of investment	
			31 March 2012	31 December 2010	31 March 2012 USD	31 December 2010 USD
Gulf Petro Product Company E.C.	Bahrain	Petroproducts	50	50	<u>430,000</u>	<u>430,000</u>

The investment in associated company has been valued at cost.

Gulf Petro Product Company E.C. is engaged in the development, construction, operation of Linear Alkyl Benzene (LAB) and investment in Normal Paraffin and Associated Projects.

9. OTHER ASSET

Other asset relates to deferred finance cost and deposit paid by the group.

Costs incurred which can be directly attributable to the finance facility secured are deferred as transaction costs and will be included in the carrying amount of borrowings when drawn down.

10. ADVANCES AND PREPAYMENTS

	The Group		The Company	
	31 March 2012	31 December 2010	31 March 2012	31 December 2010
	USD	USD	USD	USD
Trade receivables	1,806,881	2,567,381	9,541	7,852
Short term advance	6,095,180	6,095,180	-	-
Advances to subsidiary companies (see note 14 (i))	-	-	9,420,797	19,486,743
Advance to associated company (see note 14 (ii))	130,284	130,284	130,284	130,284
Other receivable	-	100,000	-	-
	<u>8,032,345</u>	<u>8,892,845</u>	<u>9,560,622</u>	<u>19,624,879</u>

The short term advance is interest free, unsecured and receivable on demand.

11. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	31 March 2012	31 December 2010	31 March 2012	31 December 2010
	USD	USD	USD	USD
Cash at bank - current	770,133	972,850	192,063	196,493
Fixed deposits and other	10,000,000	10,648,000	10,000,000	-
	<u>10,770,133</u>	<u>11,620,850</u>	<u>10,192,063</u>	<u>196,493</u>

12. STATED CAPITAL

	The Company	
	31 March 2012	31 December 2010
	USD	USD
Issued and fully paid with no par value 204,190 ordinary shares of USD 100 each	<u>20,419,000</u>	<u>20,419,000</u>

13. TRADE AND OTHER PAYABLES

	The Group		The Company	
	31 March 2012	31 December 2010	31 March 2012	31 December 2010
	USD	USD	USD	USD
Payable to related party (see note 14 (iv))	22,000	46,000	-	-
Trade payables to ultimate holding company (see note 14 (iii))	2,759,232	2,425,937	-	-
Trade payables	1,629,687	2,579,000	9,273	5,062
Other payables	7,000	206,192	84,414	79,776
	<u>4,417,919</u>	<u>5,257,129</u>	<u>93,687</u>	<u>84,838</u>

14. RELATED PARTY TRANSACTIONS

	The Company	
	31 March 2012 USD	31 December 2010 USD
(i) Advances to subsidiary companies		
Receivable from Certus Investment and Trading (S) Private Limited		
At beginning of the period/year	3,495,797	3,495,797
Advanced during the period/year	10,150,000	-
Received during the period/year	(10,150,000)	-
At end of the period/year	<u>3,495,797</u>	<u>3,495,797</u>
Receivable from Proteus Petrochemicals Pte Ltd		
At beginning of the period/year	15,990,946	15,990,946
Received during the period/year	(10,000,000)	-
Written off during the period/year	(65,946)	-
At end of the period/year	<u>5,925,000</u>	<u>15,990,946</u>
	<u>9,420,797</u>	<u>19,486,743</u>

The advance to subsidiary companies are unsecured, interest free and repayable on demand.

	The Group and Company	
	31 March 2012 USD	31 December 2010 USD
(ii) Advances to associated company		
Receivable from Gulf Petro Product Company		
Balance at beginning and end of the period/year	<u>130,284</u>	<u>130,284</u>

The advances to associated company is unsecured, interest free and receivable on demand.

	The Group	
	31 March 2012 USD	31 December 2010 USD
(iii) Trade payables to ultimate holding company		
At beginning and end of the period/year	<u>2,759,232</u>	<u>2,425,937</u>

Trade payable is non-bearing, generally on 30-90 days term and is initially recognised at its invoiced amount, which represents its fair value. It is subsequently measured at amortised cost using the effective interest method.

	The Group	
	31 March 2012 USD	31 December 2010 USD
(iv) Payable to related party		
<i>Payable to group company</i>		
At beginning and end of the period/year	<u>22,000</u>	<u>46,000</u>

The payable to group company is unsecured, interest free and payable on demand.

(v) International Financial Services Limited

Two directors of the Company Messrs Kapildeo Joory and Zakir Hussein Niamut are also directors and officers of International Financial Services Limited (the "Administrator"), and hence deemed to have beneficial interests in the Service Agreement and tax letter of engagement between the Company and the Administrator.

	The Company	
	Volume	
	1 January 2011 to 31 March 2012 USD	1 January 2010 to 31 December 2010 USD
Directors' and secretarial fees	5,000	4,000
Administrative expenses	12,420	6,540
	<u>17,420</u>	<u>10,540</u>

15. 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.

16. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

(a) Fair values

The carrying amounts of advances, cash and cash equivalents and trade and other payables approximate their fair values.

The Company's overall risk management programme seeks to minimise potential adverse effects on the financial performance of 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	31 March 2012		31 December 2010	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
Singapore Dollars	7,666,045	2,766,232	12,759,000	2,636,000
United States Dollars	10,436,319	1,631,175	7,754,445	2,621,129
	<u>18,102,364</u>	<u>4,397,407</u>	<u>20,513,445</u>	<u>5,257,129</u>

The Company	31 March 2012		31 December 2010	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
United States Dollars	19,750,746	93,687	19,821,372	84,838
	<u>19,750,746</u>	<u>93,687</u>	<u>19,821,372</u>	<u>84,838</u>

(c) Foreign currency risk

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

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

(d) Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Company. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. The Company 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 Company places its cash and cash equivalents with creditworthy financial institutions.

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

(e) Interest rate risk

The Company's interest-yielding assets are not significant and accordingly the interest rate risk is limited. The Company does not use any derivative financial instruments to hedge its exposure.

(f) Liquidity risks

The Company 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 Company 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 Company's assets.

(h) Capital risk management

The Company's objectives when managing capital are to safeguard the Company'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 Company may adjust the amount of dividends paid to its member, buy back shares or issue new shares.

17. 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 2012.

18. COMPARATIVE

The financial year end of the Group and Company has been changed from 31 December to 31 March, and therefore the current period's financial statements which are for a period of 15 months are not comparable with the previous year's figures.

Certus Investment And Trading(S) Private Limited

Co. Reg. No. 2004-14622-K

(Incorporated in the Republic of Singapore)

Seventh Annual Report & Financial Statements for the period from 1 January 2011 to 31 March 2012

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MANAGEMENT AND ADMINISTRATION

DIRECTORS	:	James Methodius
SECRETARY	:	Ng Chee Tiong
REGISTERED OFFICE	:	31 Cantonment Road Singapore 089747
INDEPENDENT AUDITORS	:	Sashi Kala Devi Associates Public Accountants & Certified Public Accountants 31 Cantonment Road Singapore 089747

NOTICE

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Members of the Company will be held at 31 Cantonment Road, Singapore 089747 on the 13 August 2012 at 10.00 a.m. to transact the following business:

1. To receive and consider the Directors' Report and Audited Accounts for the year ended 31st March 2012 and the Auditor's Report thereon.
2. To re-elect the retiring directors under Articles of Association.
3. To re-appoint Sashi Kala Devi Associates as Auditors of the Company and to authorize the Directors to fix their remuneration.
4. To transact any other business that may be properly conducted at the Annual General Meeting.

By order of the Board

NG Chee Tiong
Secretary

Singapore : 25 July 2012

NOTE :

A member to the Company entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his behalf. Such proxy need not be a member of the Company. The instrument appointing a proxy, duly stamped must be deposited at the Company's registered office not less than 48 hours before the time of holding the meeting.

DIRECTORS' REPORT

The directors is pleased to present their report to the members together with the audited financial statements of Certus Investment and Trading (S) Private Limited for the financial period from 1 January 2011 to 31 March 2012.

1. DIRECTORS

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

James Methodius S/O Cyril Methodis

2. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

No director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial period or end of the financial.

4. DIRECTOR'S CONTRACTUAL BENEFITS

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

5. OPTIONS TO TAKE UP UNISSUED SHARES

During the financial period, no option to take up unissued shares of the Company was granted.

6. OPTIONS EXERCISED

During the financial period, there were no shares of the Company issued by virtue of the exercise of options to take up unissued shares.

7. UNISSUED SHARES UNDER OPTION

At the end of the financial period, there are no unissued shares of the Company under option.

8. INDEPENDENT AUDITORS

The independent auditors, Sashi Kala Devi Associates have expressed their willingness to accept re-appointment as auditors.

Place: Singapore
Date: 25 July, 2012

James Methodius s/o Cyril Methodis
Director

STATEMENT BY DIRECTOR

I, James Methodius S/O Cyril Methodis, being the director of Certus Investment and Trading (S) Private Limited, do hereby state that,

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and the results of the business changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Place: Singapore
Date: 25 July, 2012

James Methodius s/o Cyril Methodis
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CERTUS INVESTMENT AND TRADING (S) PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Certus Investment And Trading (S) Private Limited, which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and the results, changes in equity and cash flows of the Company for the period ended on that date.

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.

Sashi Kala Devi Associates
Public Accountants and
Certified Public Accountants
Singapore

Date : 25 July, 2012

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	NOTE	31.03.2012 USD	31.03.2010 USD
ASSETS			
Non current assets			
Computer equipment	3	-	-
Capital project in progress	4	-	383,109
		-	383,109
Current assets			
Inventories		-	33,400
Trade receivables	5	1,567,340	1,278,529
Short term advance	6	6,095,180	6,095,180
Cash & cash equivalents	7	109,070	46,357
		<u>7,771,590</u>	<u>7,453,466</u>
Current Liabilities			
Trade payables	8	2,759,232	2,425,937
Other payables and accruals	9	7,000	16,528
Due to a related party	10	-	88,771
Due to immediate holding company	11	3,495,797	3,495,797
Tax Payable		-	-
		<u>6,262,029</u>	<u>6,027,033</u>
Net current assets		<u>1,509,561</u>	1,426,433
Net assets		<u>1,509,561</u>	1,809,542
Equity attributable to equity holders of the Company			
Share capital	12	1,875,340	1,875,340
Accumulated losses		(380,610)	(80,629)
Exchange reserve		14,831	14,831
Total equity		<u>1,509,561</u>	1,809,542

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	NOTE	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Revenue	13	4,390,372	3,398,640
Other income	14	108,247	20
Raw materials and consumables used		(4,387,912)	(3,392,100)
Other operating expenses		(398,882)	(10,928)
Finance cost		(11,806)	-
Loss before income tax	15	(299,981)	(4,368)
Income tax expense	16	-	-
Loss for the year		<u>(299,981)</u>	<u>(4,368)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(299,981)</u>	4,368

The accompanying notes form an integral part of financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	Share Capital USD	Accumulated profit/(losses) USD	Exchange reserve USD	Total USD
Balance at 01 January 2010	1,875,340	(76,261)	14,831	1,813,910
Total comprehensive loss for the year	-	(4,368)	-	(4,368)
Balance at 31 December 2010	1,875,340	(80,629)	14,831	1,809,542
Total comprehensive loss for the period	-	(299,981)	-	(299,981)
Balance at 31 March 2012	1,875,340	(380,610)	14,831	1,509,561

STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	NOTE	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(299,981)	(4,368)
Adjustments for:			
Interest income		(8,247)	-
Operating profit before working capital changes		(308,228)	(4,368)
Decrease in capital project in progress		383,109	-
Decrease/ (increase) in inventories		33,400	(33,400)
(Increase) in trade receivables		(288,811)	(307,240)
Increase in trade payables		333,295	328,910
(Decrease) in other payables		(9,528)	(355)
Cash generated from / (used in) operations		143,237	(16,453)
Interest received		8,247	-
Net Cash flows from / (used in) operating activities		151,484	(16,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in amount due to related company		(88,771)	-
Net cash from/(used in) financing activities		(88,771)	-
Net increase/(decrease) in cash & cash equivalents		62,713	(16,453)
Cash & cash equivalents at the beginning of the year		46,357	62,810
Cash & cash equivalents at the end of the year		109,070	46,357

The accompanying notes form an integral part of financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012

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

1. CORPORATE INFORMATION

The Company is a private Company limited by shares incorporated and domiciled in Singapore.

The registered office of the Company is located at 31 Cantonment Road, Singapore 089747 and principal place of business is at 8 Temasek Boulevard, #17-03, Suntec Tower 3, Singapore 038988.

The principal activities of the Company are to carry out the business of trading in chemicals. There has been no change in the nature of activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Singapore Companies Act, Chapter 50.

The financial statements have been prepared on a historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in United States Dollars (USD or US\$) which is the Company's functional currency and all values are rounded to the nearest one-dollar as unless otherwise stated.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial year except in the current financial year, the Company has adopted the new and revised FRS and Interpretations of FRS ("INT FRS") listed in note 2(a)(i). The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company except as indicated below.

(i) Adoption of FRS and INT FRS

	Effective date (Annual periods beginning on or after)
FRS 24 : Related Party Disclosures (Revised) Improvements to FRSs issued in 2010:	1 January 2011
FRS 1 <i>Presentation of Financial Statements</i>	1 January 2011
FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2011

(ii) Standards issued but not yet effective

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

	Effective date (Annual periods beginning on or after)
Amendments to FRS 107 Disclosures -Transfers of Financial Assets	1 July 2011
Amendments to FRS 12 Delenex Tax: Recovery: of Underlying Assets	1 January 2012
Amendment to FRS 1 Presentations of Items of Other Comprehensive Income	1 July 2012
FRS 19 Employee benefits	1 January 2013
FRS 113 Fair value measurements	1 January 2013

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

(b) Significant accounting estimates and judgements

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

- *Key sources of estimation uncertainty*

There were no material key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(c) Functional and foreign currency

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be United States Dollars (USD or US\$).

Foreign currency transactions

Transactions in foreign currencies are measured in USD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

(d) Capital project in progress

Capital project in progress is stated at cost. Expenditure relating to the construction of a nonnal paraffin (NP) plant is capitalised when incurred up to the completion of construction. No depreciation is provided on capital project in progress.

(e) Plant and equipment

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying plant and equipment. The cost of an item of a plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use. Expenditure for additions, improvement and renewal are capitalised and expenditure for maintenance and repairs are charged to profit or loss.

Depreciation computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers - 3 years

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

For acquisition and disposals of plant and equipment, depreciation is provided in the month of acquisition and no depreciation is provided in the month of disposal.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(f) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provision 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.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships defined by FRS 39. Derivatives including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss.

(ii) Held-to-maturity investment

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investments to maturity. Subsequent to initial recognition, held-to-maturity investments are measured, at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iii) 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.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investment classified as available for sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses in the fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised..

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

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition 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 had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(g) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(i) 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 asset 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 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 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 loss is recognised in the profit or loss.

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

To determine whether there is objective evidence that an impairment loss on financial assets has 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 value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Financial assets carried at cost

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

(iii) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial assets is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

(h) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that a non financial asset, other than investment property accounted for at fair value and inventories be impaired. If any such an indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generation unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

(i) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value, and in case of other financial liability, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value. These also include bank overdrafts that form an integral part of the Company's cash management.

(k) Trade and other payables

Trade and other payables are non-interest bearing and trade payable are normally settled on 30 days' terms while other payables have an average term of three months.

(l) Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, and when it is probable that an outflow of economic resources 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 balance sheet date 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.

(n) Borrowing costs

Borrowing cost consists of interest and other costs that an entity incurs in connection with the borrowing of funds. All borrowing costs are expensed in the period they occur except to the extent that they are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

(o) Employee benefits

(i) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Company makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(p) Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

Operating lease payments are recognised as an expense in the profit or loss on a straightline basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is made.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined term of payment and excluding discounts, rebates and sales taxes. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue from rendering of services that are of short duration is recognised when the services are completed. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Interest

Interest income is recognised using the effective interest method.

(iii) Government Grant

Cash grant received from the government in relation to Jobs Credit Scheme is recognised as income upon receipt.

(r) **Share capital**

Ordinary shares

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.

(s) **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 authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the end of the reporting period.

Current taxes are recognised in the profit or loss except to the extent that 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 income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

Deferred income tax assets are recognised for all deductible temporary differences, 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 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 using the tax rates that are expected to apply to 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 reporting period.

Deferred tax relating to items recognised outside profit or either in other comprehensive income or directly in equity.

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

(iii) **Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. PLANT AND EQUIPMENT

	Computer US\$	Total US\$
Cost:		
At 1 January 2010	1,409	1,409
Additions	-	-
At 31 December 2010 and 1 January 2011	<u>1,409</u>	<u>1,409</u>
Additions	-	-
At 31 March 2012	<u><u>1,409</u></u>	<u><u>1,409</u></u>
Accumulated depreciation:		
At 1 January 2010	1,409	1,409
Charge for the year	-	-
At 31 December 2010 and 1 January 2011	<u>1,409</u>	<u>1,409</u>
Charge for the period	-	-
At 31 March 2012	<u><u>1,409</u></u>	<u><u>1,409</u></u>
Net carrying amount:		
At 31 December 2010	<u>-</u>	<u>-</u>
At 31 March 2012	<u><u>-</u></u>	<u><u>-</u></u>

4. CAPITAL PROJECT IN PROGRESS

	31.03.2012	31.12.2010
	USD	USD
At beginning of the period / year	383,109	383,109
Written off during the period / year	<u>(383,109)</u>	<u>-</u>
At end of the period / year	<u>-</u>	<u>383,109</u>

Capital project in progress represents costs incurred towards construction of a Nannal Paraffin Plant ("Plant") in Singapore. However, the Plant does not seem to be commercially viable due to increase in price of raw materials and infrastructure costs. Hence the capital project in progress had been written off during the period.

5. TRADE RECEIVABLE

	31.03.2012	31.12.2010
	USD	USD
Trade receivables	1,551,290	1,262,479
Ultimate holding company	<u>16,050</u>	<u>16,050</u>
At end of the period / year	<u>1,567,340</u>	<u>1,278,529</u>

Trade receivables are non-interest bearing and are generally on 30 - 90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

The ultimate holding company is Tamilnadu Petroproducts Limited, a company incorporated in India. The amount due from the ultimate holding company is unsecured, interest-free and repayable on demand.

The Company assesses at each balance sheet date whether there is objective evidence that trade and other receivables are impaired.

An allowance for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance 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 amount of the allowance is recognised in the profit and loss.

Receivables that are past due but not impaired

The Company has trade receivables amounting to US\$1,567,340 (2010: US\$1,278,529) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follow:

	31.03.2012	31.12.2010
	USD	USD
Trade receivables past due but not impaired:		
Not more than 30 days	382,760	-
31 to 60 days	206,150	-
61 to 90 days	-	-
91 to 120 days	-	-
More than 120 days	<u>978,430</u>	<u>1,278,529</u>
	<u>1,567,340</u>	<u>1,278,529</u>

6. SHORT TERM ADVANCE

Short term advance to third party is unsecured, interest-free, and repayable on demand and to be settled in cash.

7. CASH AND CASH EQUIVALENTS

	31.03.2012	31.12.2010
	USD	USD
Cash in hand	-	-
Cash at bank	<u>109,070</u>	<u>46,537</u>
Cash and cash equivalents	<u>109,070</u>	<u>46,537</u>

Cash and cash equivalents denominated in foreign currencies are as follows:

	31.03.2012	31.12.2010
	USD	USD
Singapore dollar	3,107	383
United States dollar	<u>105,963</u>	<u>45,974</u>
	<u>109,070</u>	<u>46,357</u>

8. TRADE PAYABLES

	31.03.2012	31.12.2010
	USD	USD
Ultimate holding company	<u>2,759,232</u>	<u>2,425,937</u>

Trade payable is non-interest bearing, generally on 30-90 days term and is initially recognised at its invoiced amount, which represents its fair value. It is subsequently measured at amortised cost using the effective interest method.

The amount due to the ultimate holding company is unsecured, interest-free, repayable on demand and to be settled in cash.

The carrying amounts of trade payable approximates its fair value.

9. OTHER PAYABLES AND ACCRUALS

	31.03.2012 USD	31.12.2010 USD
Outside party	-	11,228
Accruals	<u>7,000</u>	<u>5,300</u>
	<u>7,000</u>	<u>16,528</u>

10. DUE TO A RELATED PARTY

The amount due to a related party is non-trade related, unsecured, interest-free, repayable upon demand and to be settled in cash.

11. DUE TO IMMEDIATE HOLDING COMPANY

The immediate holding company is Certus Investment & Trading Limited a company incorporated in Mauritius.

The amount due is non-trade related, unsecured, interest-free, repayable on demand and to be settled in cash.

12. SHARE CAPITAL

	2012 Number of shares	2012 USD	2010 Number of shares	2010 USD
Issued and fully paid ordinary shares				
At beginning of year	1,916,642	1,875,340	1,916,642	1,875,340
Issued during the period	-	-	-	-
At end of the period	<u>1,916,642</u>	<u>1,875,340</u>	<u>1,916,642</u>	<u>1,875,340</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares with no par value, carry one vote per share without restrictions.

13. REVENUE

Revenue represents income from the sales of chemicals and related products in the normal course of business.

Revenue is measured at the fair value of the consideration received and receivable for goods sold (services rendered). Revenue is reduced for estimated customers returns, rebates and other similar allowances.

14. OTHER INCOME

	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Amounts waived by:		
- Related party	88,772	-
- Outside party	11,228	-
GST refund	-	20
Interest income	<u>8,247</u>	<u>-</u>
	<u>108,247</u>	<u>20</u>

15. PROFIT / (LOSS) BEFORE INCOME TAX

	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
The following items have been included in arriving at profit / (loss) before income tax:		
Bank charges	3,410	335
Exchange loss - trade	33	695
Secretarial fee	<u>2,500</u>	<u>2,240</u>

16. INCOME TAX EXPENSE

No provision for taxation has been made in the current period as the Company has incurred tax loss. The Company has unabsorbed tax losses and unutilized capital allowances amounting to US\$463,260 (31.12.2010: US\$163,279) subject to agreement with local tax authorities. These are available for set-off against any future profits provided that the Company complies with the provisions of the Singapore Income Tax Act in that there is no substantial change in the composition of the shareholders and their shareholdings in the Company at the relevant dates when the tax losses are utilized.

	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Current year income tax	-	-

A reconciliation of the statutory tax rate to the Company's effective tax rate applicable to pre-tax profit is as follows:

	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Profit / (loss) before income tax	<u>(299,981)</u>	<u>(4,368)</u>
Income tax at statutory rate of 17%	<u>(50,997)</u>	<u>(743)</u>
Adjustments:		
Deferred tax assets not recognised	<u>50,997</u>	<u>743</u>
Total tax (expense)/benefit	<u>-</u>	<u>-</u>

17. RELATED PARTY DISCLOSURES

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than disclosed elsewhere in the financial statements, the transactions with a related party are as follows:

	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Ultimate holding company		
Purchases	4,387,912	3,392,100

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and equity price risks) and liquidity risk. The Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

The following sections provide details regarding the Company's exposure to these financial risks, and processes for the management of these risks.

(i) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Company.

(ii) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risks

The Company transacts business in foreign currencies, including Singapore dollars (SGD) and hence are exposed to foreign currency risks. These risks are managed either by foreign currency forward contracts in respect of actual or forecast currency exposures through natural hedges arising from a matching sale, purchase or a matching of assets and liabilities of the same currency and amount. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are as follows:

Foreign currency sensitivity analysis

The Company was mainly exposed to SGD.

The following table details the Company's sensitivity to a 5% change in SGD against USD. The sensitivity analysis assumes an instantaneous 5% change in the foreign currency exchange rates from the financial position date, with all variables held constant. The results of the model are also constrained by the fact that only monetary items, including external loans and loans to foreign operations, which are denominated in SGD is included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

Increase / (decrease) USD	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Strengthens against SGD	528	302
Weakens against SGD	(528)	(302)

(II) LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations

All the Company's financial liabilities (namely accrued liabilities and other payables), based on contractual undiscounted cash flows, are repayable within a year as at balance sheet date.

The Company is not subject to any significant exchange and interest rate risk.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Company's financial liabilities at the end of reporting period, based on contractual undiscounted repayment obligations.

	Total USD	Within one year USD
31.03.2012		
Trade payables	2,759,232	2,759,232
Other payables	7,000	7,000
Amount due to related party	-	-
Amounts due to directors	3,495,797	3,495,797
Current year income tax	<u>6,262,029</u>	<u>6,262,029</u>
	Total	Within
	USD	one year
		USD
31.12.2010		
Trade payables	2,425,937	2,425,937
Other payables	16,528	16,528
Amount due to related party	88,771	88,771
Amounts due to directors	3,495,797	3,495,797
Current year income tax	<u>6,027,033</u>	<u>6,027,033</u>

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

19. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

	01.01.2011 to 31.03.2012 USD	01.01.2010 to 31.12.2010 USD
Loans and receivables		
Trade receivable	1,567,340	1,278,529
Short term advance	6,095,180	6,095,180
Cash and cash equivalents	109,070	46,357
	<u>7,771,590</u>	<u>7,420,066</u>
	01.01.2011	01.01.2010
	to 31.03.2012	to 31.12.2010
	USD	USD
Financial liabilities at amortised cost		
Trade payables	2,759,232	2,425,937
Other payables and accruals	7,000	16,528
Due to a related party	-	88,771
Due to ultimate holding company	3,495,797	3,495,797
	<u>6,262,029</u>	<u>6,027,033</u>

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

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

At the end of the reporting period, the Company does not have any other financial instruments carried at fair value.

21. CAPITAL MANAGEMENT

The primary objective of the Company capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended 31 March 2012 and year ended 31 December 2010. The Company is not subjected to externally imposed capital requirements.

22. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the period ended 31 March 2012 were authorised for issue in accordance with a resolution of the director on 25 July 2012.

PROTEUS PETROCHEMICALS PRIVATE LIMITED

(Incorporated in Singapore. Registration Number: 200606866R)

Fifth Annual Report & Financial Statements for the Financial period from 1 January 2011 to 31 March 2012

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GENERAL INFORMATION

DIRECTOR	:	Ashwin Chidambaram Muthiah
COMPANY SECRETARY	:	Pauline Ang Hooi Yeong
REGISTERED OFFICE	:	8 Cross Street #10-00 PWC Building Singapore 048424
INDEPENDENT AUDITORS	:	PricewaterhouseCoopers LLP Public Accountants and Certified Public Accountants Singapore

NOTICE

NOTICE is hereby given that an Annual General Meeting of the Company will be held at 8 Temasek Boulevard #17-03 Suntec Tower 3 Singapore 038988 on 13 September 2012 at 10.00 a.m (SIN Time) for the following purposes:

1. To receive and adopt the Audited Financial Statements of the company for the financial period from 1 January, 2011 to 31 March, 2012 together with the Director's Report and the Auditors' Report thereon;
2. To re-appoint Messrs PricewaterhouseCoopers LLP as the Company's Auditors and to authorise the Director to fix their remuneration;
3. To approve the Director's remuneration and expenses, if any; and
4. To transact any other matters appropriate to be transacted at an Annual General Meeting.

By order of the Board

Company Secretary

Dated this 30th day of August, 2012

NOTE :

A member entitled to attend and vote at a meeting of the Company is entitled to appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member.

The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for the holding of the meeting.

Section 179(3) of the Companies Act, Chapter 50 provides that a Corporation which is a member of the Company may by resolution of its directors, authorised any person to act as its representative at a particular meeting or at all meetings of the Company, and the representative shall be entitled to exercise the same powers on behalf of the Corporation which he represents as the Corporation could exercise if it were an individual member of the Company.

DIRECTOR'S REPORT

The director presents his report to the shareholder together with the audited financial statements for the financial period from 1 January 2011 to 31 March 2012.

DIRECTOR

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

Ashwin Chidambaram Muthiah

ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose object was to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

According to the register of director's shareholdings, no director holding office at the end of the financial period had any interest in the shares in, or debentures of, the Company or its related corporations.

DIRECTOR'S CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

No shares were issued during the financial period 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 period.

INDEPENDENT AUDITOR

The Independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

30 July, 2012

Ashwin Chidambaram Muthiah
Director

STATEMENT BY DIRECTOR

In the opinion of the director,

- (a) the financial statements as set out on pages 5 to 27 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012 and of the results of the business, changes in equity and cash flows of the Company for the financial period then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due as the holding corporation has undertaken to provide continuing financial support to the Company.

30 July, 2012

Ashwin Chidambaram Muthiah
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF PROTEUS PETROCHEMICALS PRIVATE LIMITED

Report of the Financial Statements

We have audited the accompanying financial statements of Proteus Petrochemicals Private Limited (the "Company") set out on pages 5 to 27, which comprise the balance sheet as at 31 March 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2012, and of the results, changes in equity and cash flows of the Company for the financial period ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.2 to the financial statements which states that the financial statements have been prepared on a going concern basis as the immediate holding corporation has indicated its intention to provide the necessary financial support to the Company to enable it to continue its operation and to meet its liabilities as and when they fall due. If the financial support is not available, and as a result the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the balance sheet. In addition, the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets to current assets. In forming our opinion, we have considered the adequacy of the disclosures of the above matter in the financial statements.

Report on Other Legal and Regulatory Requirements

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

30 July, 2012

PricewaterhouseCoopers LLP
Public Accountants and
Certified Public Accountants
Singapore

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	NOTES	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Other income	3(a)	17	48
Other gains	3(b)	2,699	141
Expenses			
- Depreciation of plant and equipment	11	(19)	(15)
- Plant and equipment written off	11	(3,392)	-
- Deferred finance costs written off	12	(890)	-
- Allowance for impairment of an amount due from a related corporation	9	(100)	-
- Employee compensation	5	(577)	(272)
- Rental on operating leases		(488)	(96)
- Consulting service expenses		(146)	(13)
- Other operating expenses	4	(311)	(52)
Loss before income tax		(3,207)	(259)
Income tax expense	6	(1)	-
Loss after tax		(3,208)	(259)
Total comprehensive loss		(3,208)	(259)

BALANCE SHEET AS AT 31 MARCH 2012

	NOTE	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents	7	469	11,378
Other receivables	8	226	27
Amount due from a related corporation	9	-	100
Deposits	10	4	1,254
		699	12,759
Non-current assets			
Plant and equipment	11	11	3,418
Deferred finance costs	12	-	890
Deposits	10	2,000	-
		2,011	4,308
Total assets		2,710	17,067
LIABILITIES			
Current liabilities			
Other payables	13	1,536	2,579
Loan due to immediate holding corporation	14	5,925	-
Amount due to holding/related corporations	15	22	128
Total liabilities		7,483	2,707
NET (LIABILITIES) /ASSETS		(4,773)	14,360
SHARE CAPITAL AND ACCUMULATED LOSSES/EQUITY			
Share capital	16	300	300
Equity loan	17	-	15,925
Accumulated losses		(5,073)	(1,865)
(Excess of accumulated losses over share capital)/total equity		(4,773)	14,360

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

	Note	Share capital	Equity loan	(Accumulated losses)/ retained earnings	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000
31 March 2011					
Beginning of financial period		300	15,925	(1,865)	14,360
Total comprehensive loss		-	-	(3,208)	(3,208)
Reclassification to due to immediate holding corporation	17	-	(15,925)	-	(15,925)
End of financial period		300	-	(5,073)	(4,773)
31 December 2010					
Beginning of financial year					
As previously reported		300	7,493	111	7,904
Prior year adjustments		-	-	(1,717)	(1,717)
As restated		300	7,493	(1,606)	6,187
Injection of additional equity loan		-	8,432	-	8,432
Total comprehensive loss		-	-	(259)	(259)
End of financial year		300	15,925	(1,865)	14,360

STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	Period from 1.1.2011 to 31.3.2012 US\$' 000	Year ended 31.12.2010 US\$' 000
Cash flows from operating activities		
Loss after tax	(3,208)	(259)
Adjustments for:		
- Income tax expense	1	-
- Depreciation	19	15
- Interest income	(17)	(47)
- Realised fair value gain of derivatives	(818)	-
- Plant and equipment written off	3,392	-
- Deferred finance costs written off	890	-
- Allowance for impairment of an amount due from a related corporation	100	-
- Gain on settlement of outstanding payable to a third party	(1,586)	-
- Waiver of debt by related corporations	(106)	-
	(1,333)	(291)
Change in working capital		
- Other receivables	1,028	(1,149)
- Other assets	(2,004)	-
- Other payables	543	394
Cash used in operations	(1,766)	(1,046)
Income tax paid	(1)	-
Net cash used in operating activities	(1,767)	(1,046)
Cash flows from investing activities		
Disposal of plant and equipment	1	-
Purchase of plant and equipment	(5)	(1,544)
Proceeds from settlement of currency forwards	818	-
Interest received	44	51
Net cash provided by/(used in) investing activities	858	(1,493)
Cash flows from financing activities		
Proceeds from equity loan	-	8,432
Repayment of loan to immediate holding corporation	(10,000)	-
Due from immediate holding corporation	-	71
Net cash (used in)/provided by financing activities	(10,000)	8,503
Net (decrease)/increase in cash and cash equivalents	(10,909)	5,964
Cash and cash equivalents at beginning of financial period/year	11,378	5,414
Cash and cash equivalents at end of financial period/year	469	11,378

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2011 TO 31 MARCH 2012

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

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore. The address of its registered office is 8 Cross Street, #10-00 PwC Building, Singapore.

The principal activity of the Company is to establish and operate a normal paraffin ("NP") plant in Singapore. The Company has not commenced operations. During the current financial period, the plan to establish and operate the NP plant in Singapore was terminated.

The Company is currently exploring plans to establish a NP plant in another location.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 10.

Interpretations and amendments to published standards effective in 2011

On 1 January 2011, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Going concern

The current liabilities of the Company exceeded the current assets by \$6,784,000 and the total liabilities exceeded the total assets by \$4,773,000 as at 31 March 2012. The financial statements are prepared on a going concern basis as the immediate holding corporation has undertaken to provide continuing financial support to the Company. If the financial support is not forthcoming and as a result, the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts stated in the balance sheet. In addition, the Company may have to provide for further liabilities which may arise, and to reclassify non-current assets as current assets.

2.3 Employee compensation

(a) Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

2.4 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.5 Income taxes

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Current income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.6 Plant and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives

Computers	3 years

No depreciation is provided on construction in progress.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.7 DEFERRED FINANCE COSTS

Costs incurred which can be directly attributable to the finance facility secured are deferred as transaction costs and will be included in the carrying amount of borrowings when drawn down.

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.9 LOANS AND RECEIVABLES

Cash and cash equivalents - Other receivables - Amount due from a related corporation

Cash and cash equivalents, other receivables and amount due from a related corporation are initially recognised at their fair values plus transaction costs and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. These assets are presented as current assets except for those that are expected to be realised later than 12 months after the balance sheet date, which are presented as non-current assets.

2.10 OTHER PAYABLES

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.11 BORROWINGS

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction of assets.

The borrowing costs incurred during the construction period are capitalised in the cost of the asset under construction by applying a capitalisation rate to construction expenditures.

2.12 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments (not designated as hedging instruments) are initially recognised at their fair values on the contract date and are subsequently carried at their fair values. Changes in fair value are recognised in profit or loss.

2.13 CASH AND CASH EQUIVALENTS

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

2.14 CURRENCY TRANSLATION

The financial statements are presented in United States Dollar, which is the functional currency of the Company.

Transactions in a currency other than United States Dollar ("foreign currency") are translated into United States Dollar using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

2.15 GOVERNMENT GRANTS

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants in respect of expenses are recognised in profit or loss over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Government grants relating to expenses are shown separately and offset against the related expenses.

2.16 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.17 FAIR VALUE ESTIMATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.18 SHARE CAPITAL

Ordinary shares are classified as equity.

3(A). OTHER INCOME

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Interest income from fixed deposits	17	47
Government grants - Job Credit Scheme	-	1
	<u>17</u>	<u>48</u>

3(B). OTHER GAINS

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Currency exchange gain - net	189	141
Realised fair value gain of derivatives	818	-
Waiver of debt by:		
- related corporation	11	-
- immediate holding corporation	71	-
- ultimate holding corporation	24	-
Gain on settlement of outstanding payable to a third party	1,586	-
	<u>2,699</u>	<u>141</u>

4. OTHER OPERATING EXPENSES

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Professional fees	43	3
Telephone	10	7
Property tax	74	-
Other expenses	184	42
	<u>311</u>	<u>52</u>

5. EMPLOYEE COMPENSATION

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Wages and salaries	554	260
Employer's contribution to Central Provident Fund	9	7
Other benefits	14	5
	<u>577</u>	<u>272</u>

6. INCOME TAXES

(a) Income tax expense

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Underprovision of income tax expense in preceding financial year	1	-

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

Loss before tax	(3,208)	(259)
Tax calculated at tax rate of 17% (2010: 17%)	(545)	(44)
Expenses not deductible for tax	545	44
Tax charge	<u>-</u>	<u>-</u>

b) Movements in current income tax liabilities

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Beginning of financial period/year	-	-
Income tax paid	(1)	-
Underprovision in preceding financial year	1	-
End of financial period/year	<u>-</u>	<u>-</u>

7. CASH AND CASH EQUIVALENTS

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Cash at bank and on hand	469	730
Short-term bank deposits	-	10,648
	<u>469</u>	<u>11,378</u>

The carrying amounts of other receivables approximate their fair values.

Cash and cash equivalents at the balance sheet date are denominated in the following currencies:

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
United States Dollar	181	6,150
Singapore Dollar	288	5,228
	<u>469</u>	<u>11,378</u>

In previous financial year, short-term bank deposits have a maturity of 3 months from the balance sheet date and had an average effective interest rate of 0.34% per annum.

8. OTHER RECEIVABLES

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Interest receivables	-	27
Other receivables	226	-
	<u>226</u>	<u>27</u>

The carrying amounts of other receivables approximate their fair values.

Other receivables at the balance sheet date are denominated in the following currencies:

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
United States Dollar	226	20
Singapore Dollar	-	7
	<u>226</u>	<u>27</u>

9. AMOUNT DUE FROM A RELATED CORPORATION

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Amount due from a related corporation		
- non- trade	100	100
Less: Allowance for impairment	(100)	-
	<u>-</u>	<u>100</u>

The non-trade amount due from a related corporation is interest-free, unsecured, repayable on demand and is denominated in United States Dollar. The carrying amounts approximate their fair values.

10. DEPOSITS

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Current	4	1,254
Non-current	<u>2,000</u>	-
	<u>2,004</u>	<u>1,254</u>

Included in deposits are US\$2,000,000 (2010: US\$1,250,000) paid to a third party for services in relation to engineering design of a Normal Paraffin ("NP") Complex which was originally planned to be installed in the NP plant in Singapore.

Following the Company's termination of the plans to establish and operate the NP plant in Singapore, management has reached an agreement with the third party for the third party to maintain the engineering design specifications until 31 December 2016 ("the Suspension Period"). The third party agrees to resume the engineering service to complete the delivery of the engineering design specification package if the Company decides to reactivate the project and install the unit at any location during the Suspension Period subject to the fulfillment of certain conditions. Should the Company not activate the project by 31 December 2016, the deposits paid to the third party will be forfeited.

At the date of this report, management is in preliminary negotiations with certain third party on the establishment of such plant in another location.

11. PLANT AND EQUIPMENT

	Construction in <u>progress</u> US\$'000	Office <u>equipment</u> US\$'000	<u>Total</u> US\$'000
31 March 2012			
<u>Cost</u>			
Beginning of financial period	3,392	45	3,437
Additions	-	5	5
Disposals	-	(4)	(4)
Written-off	(3,392)	-	(3,392)
End of financial period	<u>-</u>	<u>46</u>	<u>46</u>
31 March 2012			
<u>Accumulated Depreciation</u>			
Beginning of financial period	-	19	19
Depreciation charge	-	19	19
Disposals	-	(3)	(3)
End of financial period	<u>-</u>	<u>35</u>	<u>35</u>
<i>Net book value</i>			
<i>End of financial period</i>	<u>-</u>	<u>11</u>	<u>11</u>
31 December 2010			
<u>Cost</u>			
Beginning of financial year	1,851	42	1,893
Additions	1,541	3	1,544
End of financial year	<u>3,392</u>	<u>45</u>	<u>3,437</u>
<u>Accumulated depreciation</u>			
Beginning of financial year	-	4	4
Depreciation charge	-	15	15
End of financial year	<u>-</u>	<u>19</u>	<u>19</u>
<i>Net book value</i>			
<i>End of financial period</i>	<u>3,392</u>	<u>26</u>	<u>3,418</u>

12. DEFERRED FINANCE COSTS

Deferred finance costs at 31 December 2010 represented the ancillary costs incurred in connection with the arrangement of borrowings. The amount was written off to profit and loss during the financial period.

13. OTHER PAYABLES

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Other payables	609	2,562
Receipt from third party *	900	-
Other accruals for operating expenses	27	17
	<u>1,536</u>	<u>2,579</u>

* Included in other payable is US\$900,000 (2010: nil) received / receivable from a third party who was a partner (the "Project Partner") to the NP Plant plan. The amount was received pursuant to the settlement agreement between the Company and the Project Partner when the NP plant project in Singapore was terminated. This represents 45% of the deposits paid to a third party for services in relation to engineering design of the NP Complex which was originally planned to be installed in the NP plant in Singapore (Note 10).

Pursuant to the settlement agreement, should the plan be reactivated in another location, and the Project Partner is not the partner in the reactivated project, the Company has to repay the US\$900,000 to the Intended Project Partner. Management is in the process of negotiating with certain third party on the establishment of such plant in another location (Note 10).

The carrying amounts of trade and other payables approximate their fair values.

Other payables at the balance sheet date are denominated in the following currencies:

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
United States Dollar	1,448	645
Singapore Dollar	88	1,934
	<u>1,536</u>	<u>2,579</u>

14. LOAN DUE TO IMMEDIATE HOLDING CORPORATION

The loan due to immediate holding corporation was previously classified as equity loan at 31 December 2010 (Note 17).

The immediate holding corporation has confirmed its intention that it will not require repayment of the loan as at 31 March 2012 for at least 12 months from the date of the financial statements and until the Company is able to meet its obligation as and when it falls due.

15. AMOUNT DUE TO HOLDING/RELATED CORPORATIONS

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Amount due to:		
- Ultimate holding corporation	22	46
- Immediate holding corporation	-	71
- Related corporations	-	11
	<u>22</u>	<u>128</u>

The amounts due to ultimate holding corporation, immediate holding corporation and related corporations are non-trade in nature, unsecured, interest-free and repayable on demand.

The carrying amounts approximate their fair value and are denominated in United States Dollar.

16. SHARE CAPITAL

The Company's share capital comprise fully paid-up 300,000 (31.12.2010: 300,000) ordinary shares with no par value, amounting to a total of US\$300,000 (31.12.2010: US\$300,000).

17. EQUITY LOAN

Equity loan at 31 December 2010 represents funding received from the immediate holding corporation, Certus Investment & Trading Limited. These equity loans were to be converted to share capital on completion of closure and drawdown of the finance facility at a ratio of US\$1 of debt to US\$1 of ordinary shares. At 31 December 2010, the equity loan was non-interest bearing and had no right of repayments.

During the financial period, the loan was reclassified to payable to immediate holding corporation at 31 March 2012 (Note 14), as the terms of the loan has been revised such that it is repayable on demand. US\$10,000,000 was repaid to the immediate holding corporation during the financial period.

18. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) Market risk

(i) Currency risk

Currency risk arises when transactions are denominated in currencies such as Singapore Dollar ("SGD"). The Company manages this risk by entering into currency forwards.

The Company's policy is to enter into currency forwards of the anticipated expenses for the future in SGD. The Company's currency exposure to the SGD is as follows:

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Financial assets		
Cash and bank balances	288	5,228
Other receivables	-	7
	<u>288</u>	<u>5,235</u>
Financial liabilities		
Other payables	88	1,934
Currency exposure	<u>200</u>	<u>3,301</u>

At 31 March 2012, If the SGD had strengthen / weakened by 0.4% (31.12.2010: 8%) against the USD with all other variables including tax rate being held constant, the effects arising from the net financial liability / asset positions will be as follows:

	Increase / Decrease Period from 1.1.2011 to 31.3.2012 Loss after tax US\$'000	Year ended 31.12.2010 Loss after tax US\$'000
SGD against USD		
- strengthened	(1)	(219)
- weakened	1	219

(ii) Interest rate risk

The Company has insignificant financial assets or liabilities that are exposed to interest rate risks as at 31 March 2012.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are cash and cash equivalents and amount due from a related corporation.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet.

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

Bank balances that are neither past due nor impaired are mainly placed with a bank with high credit-rating as determined by international credit-rating agencies. In previous financial year, amount due from a related corporation is neither past due nor impaired as the related corporation has good payments track records with the Company.

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

There is no other class of financial assets that is past due and/or impaired except as disclosed in Note 9.

(c) Liquidity risk

The Company manages its liquidity risk through a funding arrangement with its immediate holding company.

The Company's policy is to regularly monitor current and expected liquidity requirements and to ensure that it maintains sufficient reserves of cash and adequate lines of funding to meet its liquidity requirements in the short and long term.

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Board of Director's monitors its capital based on net debt and total capital. Net debt is calculated as borrowings plus other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Net debt	7,014	(8,671)
Total equity	<u>(4,773)</u>	<u>14,360</u>
Total capital	<u><u>2,241</u></u>	<u><u>5,689</u></u>

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

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	As at 31.3.2012 US\$'000	As at 31.12.2010 US\$'000
Loans and receivables	695	11,505
Financial liabilities at amortised cost	<u>7,483</u>	<u>2,707</u>

19. IMMEDIATE AND ULTIMATE HOLDING CORPORATIONS

The Company's immediate holding corporation is Certus Investment & Trading Limited, incorporated in the Republic of Mauritius. The ultimate holding corporation is Tamilnadu Petroproducts Limited, incorporated in India.

20. RELATED PARTY TRANSACTIONS

(a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

	Period from 1.1.2011 to 31.3.2012 US\$'000	Year ended 31.12.2010 US\$'000
Operating lease charges by a related corporation	258	96
Construction in progress paid on behalf by an immediate holding corporation	-	71
(b) Key management personnel compensation is as follow:		
Wages and salaries	191	351
Post-employment benefits - contribution to CPF	3	6
	<u>194</u>	<u>357</u>

Key management personnel compensation in 2010 was capitalised in construction in progress.

21. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 April 2012. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

22. CHANGE OF FINANCIAL YEAR END

During the financial period, the Company changed its financial year end from 31 December to 31 March.

23. COMPARATIVE FIGURES

The financial statements cover the period from 1 January 2011 to 31 March 2012. The comparatives relating to the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are for the 12 months period from 1 January 2010 to 31 December 2010, and are therefore not comparable.

24. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Director of Proteus Petrochemicals Private Limited on 30 July 2012.



SPIC ELECTRIC POWER CORPORATION PRIVATE LIMITED
(A Subsidiary of Tamilnadu Petroproducts Limited)

SEVENTEENTH ANNUAL REPORT
2011 - 2012

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Board of Directors

RM. Muthukaruppan
Director

R. Soundararajan
Director

V. Ramani
Director

N.K. Rawal
Director

L.P. Sashikumar
Director

REGISTERED OFFICE

“TPL House”
3, Cenotaph Road
Teynampet
Chennai - 600 018.

AUDITORS

Messrs. Raman Associate
Chartered Accountants
1st Floor, R.E. Apartments,
No. 70 (Old No. 64)
Arya Gowda Road,
West Mambalam,
Chennai - 600 033.

BANKERS

State Bank of India (Teynampet Branch)
594, Anna Salai,
Teynampet,
Chennai - 600 018.

NOTICE FOR THE 17TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 17th ANNUAL GENERAL MEETING of the Company will be held at the Registered Office of the Company at "TPL House, 3, Cenotaph Road, Teynampet, Chennai – 600 018 on Friday, the July 20, 2012 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited Balance Sheet as at March 31, 2012 and Statement of Accounts for the year ended 31st March, 2012 and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. L P Sashikumar, who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that M/s. Darapaneni & Co, (FRN: 000685S) Chartered Accountants, Hyderabad be and are hereby appointed as Statutory Auditors of the Company to hold office until the conclusion of the 18th Annual General Meeting of the Company on such a remuneration as may be decided by the Board of Directors of the Company."

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Reddi Subrahmanyam be and is hereby appointed as Director of the Company, liable to retirement by rotation."

By the order of the Board
For SPIC Electric Power Corporation Private Limited
L P SASHIKUMAR
DIRECTOR

Place: Hyderabad
Date : July 19, 2012

NOTES:

1. A member entitled to attend and votes also entitled a proxy to attend and vote instead of him/herself and a proxy need not be a member.
2. The proxies to be valid should be lodged at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Resolution set out against Item No.4 of the Notice is annexed hereto.
4. All the documents referred to in this Notice including the Memorandum and Articles of Association of the Company will be open for inspection by any Member during the Company's business hours on any working day of the Company upto the date of the Meeting.

Explanatory Statement (Pursuant to Section 173 of the Companies Act, 1956)

Item No. 4:

In accordance with the Share Purchase and Shareholders Agreement (SPSA) dated 31st May, 2012 between the Company, Tamilnadu Petroproducts Limited (TPL), Trinity Infraventures Limited (TIL) and Goldstone Power Private Limited (GPPL), TIL has nominated Mr. Reddi Subrahmanyam for appointment as Director of the Company under Section 260 of the Companies Act, 1956. Mr. Reddi Subrahmanyam who was appointed on 29th June, 2012 shall hold office up to the date of the 17th Annual General Meeting. The Company has received a notice under Section 257 of the Act from GPPL along with a deposit of Rs.500/- proposing Mr. Reddi Subrahmanyam for appointment as Director liable to retirement by rotation. Hence, the proposed resolution.

No Director of the Company other than the appointee director is interested in the resolution, except to the extent of their holding in the equity share capital of the Company.

By the order of the Board
For SPIC Electric Power Corporation Private Limited
L P SASHIKUMAR

Place: Hyderabad
Date : July 19, 2012

DIRECTORS' REPORT

To

The Members of

SPIC Electric Power Corporation Private Limited

Your Directors have the pleasure to present the 17TH ANNUAL REPORT on the operations of the Company together with the Audited Accounts for the year ended March 31, 2012.

Power Scenario:

The demand for electrical energy continues to outstrip the supply. The gap between supply and demand in Tamilnadu had galloped in the recent years owing to lack of capacity additions and increase in per capita consumption of Electricity. This has led to introduction of power cuts for industrial units and commercial establishments and additional service load restrictions during lighting peak hours for all of them. In addition, there are scheduled and unscheduled load shedding to overcome the deficit in supply. It has been estimated by the World Bank that the demand for power will grow by nearly twice the rate at which the economy grows. Therefore adequate provisions have to be made for augmenting power supply to bridge the gap between demand and supply as well as to meet the increasing future demand.

As per National Electricity Policy of Government of India, development of Coastal, Imported Coal Based Power Stations are envisaged to meet the capacity addition requirement of the country. The long coastal line of the state facilitates development of imported coal based power plants using seawater as main water resource for both cooling and plant water supply in line with the National Electricity Policy. Considering the above scenario, the state is encouraging private thermal power generation along the long coast of the state and the project being developed by your company becomes more relevant.

Project Status:

The Company has been pursuing with various agencies for moving forward on the project. During the year, VO Chidambaram Port Trust – VOCPT (formerly Tuticorin Port Trust) has handed over possession of the allocated land to the Company for locating the Project. The Company has also obtained the Environmental Clearance from the Ministry of Environment and Forests/Govt. of India for establishing the project at the alternate location.

The Company approached the Hon'ble Tamilnadu Electricity Regulatory Commission (TNERC) for a suitable direction for implementation of the project through a Miscellaneous Petition. Hon'ble TNERC vide its order dated 9th May, 2011 has directed some amendments to be made in the Power Purchase Agreement with TANGEDCO. The Company had signed the required Addendum to the PPA on 10th January, 2012 and submitted to Hon'ble TNERC for final order.

The Company in the year 2011-2012 made substantial progress in implementation and in the coming year, your company would be continuing with its efforts so that the physical project work can commence at the earliest.

Change of Control & Management:

In order to enable Tamilnadu Petroproducts Limited (TPL) to execute its business strategy effectively, while ensuring that the Project is not in any way adversely impacted, TPL and Trinity Infraventures Limited (TIL) have reached a common understanding, in the interest of the Project Implementation, to the effect that TIL and its Assignees should play a dominant role and presence in the implementation of the Project. In order to give effect to this understanding, the Company, TIL, Goldstone Power Private Limited (GPPL) and TPL have entered into a Share Purchase and Shareholders Agreement dated 31st May, 2012 (the "SPSHA") pursuant to which TPL has transferred to TIL nominees, 2,80,45,045 (Two Crores Eighty Lakhs Forty Five Thousand and Forty Five only) equity shares of Rs. 10/- each held by TPL and its nominees in the issued and paid up capital of SEPC. TPL shall continue to hold balance shares and be the project sponsor and a Member at least till one year after the commencement of Commercial Operations of the Project.

Subsequent to the execution of SPSHA on 31st May, 2012, the Shareholders' and Share Purchase Agreement dated 28th May, 2009 stands terminated with effect from 29th June, 2012.

In order to give effect to the SPSA, TIL had nominated Mr. Reddi Subrahmanyam as its Nominee on the Board of the Company with effect from 29th June, 2012 and Mr. R. Soundararajan, Mr. RM. Muthukaruppan and Mr. V. Ramani, the existing TPL Nominee Directors have resigned from the Board, with effect from 29th June, 2012.

Directors:

In accordance with the provisions of the Companies Act, 1956, Mr. L P Sashikumar, Director, retires by rotation and is eligible for re-appointment.

During the year under review, Mr. Reddi Subrahmanyam has joined the Board as TIL's nominee with effect from 29th June, 2012 and Mr. R. Soundararajan, Mr. RM. Muthukaruppan and Mr. V. Ramani have resigned from the Board, with effect from 29th June, 2012.

Your Directors would like to place on record their appreciation for the excellent contribution made by the outgoing Directors.

Audit Committee:

Your Company has an Audit Committee of the Board of Directors, the composition, role, functions and power of which are in accordance with the requirement of the Companies Act, 1956. The Committee consists of Mr. L P Sashikumar and Mr. N K Rawal as Members.

Auditors:

M/s. Raman Associates, Chartered Accountants, Chennai, the Statutory Auditors of the Company will retire as Statutory Auditors at the ensuing Annual General Meeting. The Company has received a letter from them informing about their intention not to seek re-appointment as Auditors of the Company.

Hence, it is proposed to appoint M/s. Darapaneni & Co, (FRN: 000685S), Chartered Accountants, Hyderabad as Auditors of the Company from the conclusion of the 17th Annual General Meeting until the conclusion of the next Annual General Meeting. M/s. Darapaneni & Co, Chartered Accountants, Hyderabad, have confirmed that if appointed, their appointment would be in accordance with the provisions of the Companies Act, 1956.

Conservation of energy, technology absorption:

As the Company is yet to commence commercial operations, disclosure of these particulars is not applicable at this stage.

Deposits:

The Company has not accepted any deposits to which the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.

Particulars of Employees:

During the period under review, none of the employees of the Company have drawn remuneration as specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Directors' Responsibility Statement:

In compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) In preparing the Annual Accounts for the year ended 31st March, 2012, all the applicable accounting standards have been followed
- (ii) Accounting policies were adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012
- (iii) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities have been taken, and
- (iv) the annual accounts have been prepared on a "going concern" basis.

Acknowledgement:

The Company and its Directors express sense of gratitude to all the statutory agencies, banks and all other concerns for their continuous support and assistance.

By the order of the Board
For SPIC Electric Power Corporation Private Limited

Place: Hyderabad
Date : July 19, 2012

N K Rawal L P Sashikumar
Director Director

AUDIT REPORT TO THE MEMBERS OF SPIC ELECTRIC POWER CORPORATION (PRIVATE) LIMITED

We have audited the attached Balance Sheet of M/s. SPIC Electric Power Corporation (Private) Limited, as at 31st March 2012 and also the annexed Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure for the year ended on that date. The financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in the accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes (a) Examining, on a test basis, evidence to support the financial statement amounts and disclosures in the financial statement (b) Assessing the accounting principles used in the preparation of financial statements (c) Assessing significant estimates made by the management in the preparation of the financial statements and (d) Evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph (3) above, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of audit;
- (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;
- (c) The Balance Sheet and Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure referred to in this report are in agreement with the books of account of the Company;
- (d) In our opinion, the accounts comply with the accounting standards referred to in subsection 3C of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s. 274(1)(g) of the Companies Act, 1956;
- (f) The Company is not covered under section 441 A of the Companies Act, 1956 with regard to payment of cess;
- (g) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure, together with other notes thereon, give the information required by the Companies Act, 1956 and subject to Note No. B [6] of Notes to Financial Statements, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012 and
 - (ii) In so far as it relates to the Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure incurred during the year ended on that date.

For Raman Associate
Chartered Accountants
FR No.002910S
G. Vasudevan
Partner
M. No. 020739

Place : Chennai
Date : 29th June 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF SPIC ELECTRIC POWER CORPORATION (PRIVATE) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

Fixed Assets

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The company has a programme of physical verification of fixed assets in a phased manner over two years. In our opinion, the programme is reasonable, having regard to the size of the company and nature of its assets. In accordance with the programme, the management during the year has physically verified certain fixed assets and no material discrepancies have noticed on such verification.

Inventory and its physical verification

- (ii) There was no stock of inventory as at 31 st March 2012.

Loans granted / taken from related Companies

- (iii) The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.

Internal Control

- (iv) In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. In our opinion, there is no continuing failure to correct major weaknesses in internal control.

Transactions with parties' u/s. 301

- (v) There were no transactions exceeding the value of five lakh rupees in the financial year in respect of any party.

Public Deposits

- (vi) The Company has not accepted deposits from the public during the year.

Internal Audit

- (vii) The Company has an internal audit system commensurate with the size and nature of its business.

Cost Records

- (viii) The Central Government has not prescribed the maintenance of cost records by the Company under section 209(1) (d) of the Companies Act, 1956 for any of its products.

Statutory Dues

- (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund and Income tax.
(b) According to the information and explanations given to us, the due of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty and Cess and other statutory dues, details of dispute is furnished in Note Number B (6) to the Notes on Accounts.

Sick Company

- (x) The Company has no accumulated losses. As such, the company is not a Sick Company within the meaning of clause (0) of sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

Default in dues to Bank / Financial Institutions / Debenture holders

- (xi) The Company has not taken any loan from bank or from any other financial institutions.

Loans and advances made by the Company

- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Nidhi / Mutual Benefit Fund / Chit Funds

- (xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society.

Record of Shares, Securities

- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.

Guarantees given by the Company

- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.

Term Loans and Short-term funds taken

- (xvi) No term loans were taken during the year.

- (xvii) No funds were raised during the year to confirm that the funds raised on longterm basis have not been used for short-term investment.

Preferential allotment of shares

- (xviii) The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.

Debenture Security

- (xix) No Securities have been created in respect of debentures as no Debentures have been issued by the Company.

Disclosure of end use of funds raised in public issues

- (xx) The Company has not raised any equity during the year and as such the question of disclosure of end use of such money raised does not arise.

Frauds noticed

- (xxi) During the checks carried out by us and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

For Raman Associate
Chartered Accountants
FR No.002910S
G. Vasudevan
Partner
M. No. 020739

Place : Chennai
Date : 29th June 2012

BALANCE SHEET AS AT 31ST March, 2012

(Rupees in Thousands)

PARTICULARS	SCHEDULE	Figures as on 31-03-2012	Figures as on 31-03-2011
I EQUITY & LIABILITIES			
1. Shareholders' funds			
a. Share capital	1	4,35,596	4,00,596
b. Reserves & Surplus			-
c. Money received against share warrants			
2. Share application money pending allotment	2	1,46,092	3,391
3. Non-current liabilities			
a. Long-term borrowings			
b. Deferred tax liabilities [Net]			
c. Other Long-term liabilities	3	1,00,324	1,00,324
d. Long-term provisions			
4. Current liabilities			
a. Short-term borrowings			
b. Trade payables			
c. Other current liabilities	4	2,575	2,575
d. Short-term provisions	5	3,741	1,784
TOTAL		<u>6,88,328</u>	<u>5,08,670</u>
II ASSETS			
1. Non-current assets			
a. Fixed Assets	6		
Tangible Assets		2,091	1,977
Intangible Assets			
Capital Work-in-progress		-	-
Intangible assets under development			
Expenditure During Construction Pending Allocation	7	5,39,440	5,00,485
b. Non-current investments			
c. Deferred tax assets [Net]			
d. Long-term loans and advances			
2. Current assets			
a. Current investments			
b. Inventories			
c. Trade receivables			
d. Cash and cash equivalents	8	1,44,751	1,920
e. Short-term loans and advances	9	1,697	3,939
f. Other current assets	10	349	349
TOTAL		<u>6,88,328</u>	<u>5,08,670</u>

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For M/s.Raman Associate

Chartered Accountants

FRN:002910S

G.Vasudevan

Partner

M.No.: 020739

Place: Chennai

Date : 29th June 2012

 R. Soundararajan
Director

For and on behalf of the Board

 RM. Muthukaruppan
Director

 V. Ramani
Director

 L.P. Sashikumar
Director

 N.K. Rawal
Director

DETAILED SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2012

(Rupees in Thousands)		
	As at March 31, 2012	As at March 31, 2011
1. SHARE CAPITAL		
Authorised (100,000,000 equity shares of Rs 10 each)	<u>10,00,000</u>	10,00,000
Issued, subscribed and paid-up (43559595 equity shares of R. 10 each)	<u>4,35,596</u>	4,00,596
	<u>4,35,596</u>	<u>4,00,596</u>
2. Advance towards share capital		
Tamilnadu Petroproducts limited	<u>3,391</u>	3,391
Trinity Infraventures Limited	<u>1,42,701</u>	-
	<u>1,46,092</u>	<u>3,391</u>
3. Long term liabilities		
Other	<u>1,00,324</u>	1,00,324
	<u>1,00,324</u>	<u>1,00,324</u>
4. Current liability		
Sundry creditors.	<u>2,575</u>	2,575
	<u>2,575</u>	<u>2,575</u>
5. Provisions		
Expenses Payable	<u>1,062</u>	244
Rent Payable - Tuticorin Port Trust	<u>3,140</u>	1,540
Provident Payable	<u>1</u>	-
Provision for Income Tax	<u>(513)</u>	-
TDS Payable Contractors & Professionals	<u>51</u>	-
	<u>3,741</u>	<u>1,784</u>
6. Fixed Assels		
Tangible Assets	<u>5,937</u>	5,695
Intangible Assets	<u>-</u>	-
Capital Work in Progress	<u>-</u>	-
Intangible Assets under development	<u>-</u>	-
Sub - Total	<u>5,937</u>	5,695
Less : Depreciation	<u>3,846</u>	3,718
	<u>2,091</u>	<u>1,977</u>
7. Expenditure During Construction Pending Allocation		
Incidental expenditure during construction period pending allocation		
Payment to and provision for employees		
Salaries and allowances	<u>52,069</u>	50,059
Contribution to provident and other funds	<u>3,647</u>	3,631
Staff welfare	<u>5,403</u>	5,385
Repairs and maintenance - general	<u>3,962</u>	3,918
Land Lease Rent	<u>1,52,562</u>	1,26,177
Rent, rates and taxes	<u>14,381</u>	13,980
Project Development Expenses	<u>42,659</u>	38,520
Professional fees	<u>1,67,453</u>	1,61,801
Travel	<u>28,087</u>	27,522
Directors Sitting fees	<u>1,026</u>	940
Miscellaneous Expenditure	<u>61,095</u>	59,101
Depreciation	<u>14,602</u>	14,475
Loss on sale of asset	<u>348</u>	348
Reversal of expenses payable	<u>(961)</u>	(961)
	<u>5,46,313</u>	5,46,313
Less : Income		
Interest on deposits	<u>6,873</u>	4,411
	<u>5,39,440</u>	<u>5,00,485</u>

DETAILED SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2012

(Rupees in Thousands)

	As at March 31, 2012	As at March 31, 2011
8. Cash and bank balances		
Cash in hand	19	9
Bank balances with scheduled banks		
in current accounts	16	1,911
in deposit account	1,44,716	-
	<u>1,44,751</u>	<u>1,920</u>
9. Short term Loans & Advances		
IT Refund due	4	4
Telephone Deposit	3	-
Advance Payments		
Other advance	653	3,184
Rent Advance	774	751
Salary Advance	17	-
Tax Deducted at Source	246	-
	<u>1,697</u>	<u>3,939</u>
10. Other Current Assets		
Preliminary Expenses	349	349
	<u>349</u>	<u>349</u>

SCHEDULES TO BALANCE SHEET
6. Fixed Assets

(Rupees in Thousands)

Categories	ORIGINAL COST			As at Mar 31, 2012	DEPRECIATION			As at Mar 31, 2012	NET BOOK VALUE	
	As at April 1, 2011	Additions for the year	Deletions for the year		As at April 1, 2011	Charge for the year	Deletion for the year		As at Mar 31, 2012	As at Mar 31, 2011
Land	1,499	-	-	1,499	-	-	-	1,499	1,499	
Office equipment	2,586	22	-	2,608	2,248	39	-	2,287	321	338
Furnitures and fitting	1,610	220	-	1,830	1,470	89	-	1,559	271	140
TOTAL	5,695	242	-	5,937	3,718	128	-	3,846	2,091	1,977
Capital work in progress (including capital advances)	-			-				-	-	-
TOTAL	5,695	242	-	5,937	3,718	128	-	3,846	2,091	1,977
Previous Year	5,525	170	-	5,695	3,925	136	343	3,718	1,977	39,845

9. Notes to Financial Statements

A. Accounting Policies

The financial statements have been prepared under the historical cost convention in accordance with Indian Generally Accepted Accounting Principles and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211 (3C) of the Indian Companies Act, 1956.

1. Disclosure of Accounting Policies

The Accounts of the Company are prepared in accrual basis in accordance with normally accepted accounting policies.

2. Depreciation Accounting

Depreciation is provided on a pro-rata basis, from the date the assets have been installed and put to use, on a Straight Line method (SLM) at the rates and in the manner Specified under Schedule XIV of the Companies Act, 1956.

3. Revenue Recognition

Income and Expenditure are accounted on accrual basis as stated above.

4. Accounting for Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of a fixed asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use.

5. Accounting for Investments

The Company's policy is to value Investments at cost, which includes interest on borrowing, upfront fees brokerage, etc. Provision for diminution in value is made only if such a decline is other than temporary in the opinion of the management. However, the Company has not made any investments during the year under review.

6. Accounting for retirement benefits

The provident fund is a defined contribution plan for which the contribution accruing during each month as per the scheme is expensed. The gratuity scheme is a defined benefit plan, which has been funded by an annual contribution based on actuarial valuation by the Life Insurance Corporation of India.

7. Related party disclosure

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other related parties where control exists that need to be disclosed.

Related Party Disclosure under Accounting Standard - 18

(i) The list of related parties as identified by the Company are as under

Promoters	1. M/s. Tamilnadu Petroproducts Limited (TPL)
	2. M/s. Trinity Infraventures Limited (TIL) (Formerly M/s. Goldstone Exports Limited)
Others	1. M/s. Goldstone Power Private Limited (GPPL)

(ii) The following transactions were carried out with the Related Parties:

Particulars	(Rupees in 000' s)	
	Year ended March 31, 2012	Year ended March 31, 2011
Advance towards Share Capital		
1. M/s. TPL	3391.00	3391.00
2. M/s. TIL	142700.00	--
Salaries and Allowances		
1. M/s. TPL	790.00	--

8. Accounting for taxes on income

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961, as the amount of tax payable to the taxation authorities in respect of taxable income for the year.

Deferred tax is accounted for under the liability method, subject to the consideration of prudence for deferred tax assets, at the current rate of tax, on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent years.

9. Contingent Liabilities

All liabilities have been provided for in the accounts except liabilities of a contingent in nature, which have been disclosed at their estimated values in the Notes to the Accounts.

B. Balance Sheet

1. Long - term liabilities

Amount received from two companies towards Share Capital for Development cost of the Project is to an extent of Rs. 1003.24 Lakhs

2. Expenditure during construction period

The Company has not commenced commercial operation during the year. Hence no Profit & Loss Account has been prepared. All expenditure incurred prior to commercial operations has been classified as Expenditure during construction period pending allocation and disclosed as a separate component of the Balance Sheet. The expenditure is to be allocated between capital and revenue in accordance with the treatment prescribed by the guidance note on Treatment of Expenditure during Construction Period issued by the Institute of Chartered Accountants of India upon commencement of commercial operations.

3. Preliminary Expenses

The Company intends to write off the preliminary expenses over a period of 5 years on commencement of commercial operations.

4. The details of Managerial Remuneration paid to Whole-time Director is as follows:

Particulars	(Rs. in '000s)	
	Year ended March 31, 2012	Year ended March 31, 2011
Salaries and Allowances	Nil	Nil
Perquisites	Nil	Nil
TOTAL	Nil	Nil

5. Details of Auditors' Remuneration:

Particulars	(Rs. in '000s)	
	Year ended March 31, 2012	Year ended March 31, 2011
Fees for Statutory Audit (including Service Tax)	39.33	33.09

6. A disputed claim of Rs 1,86,5461- is pending payable to the Regional Provident Fund Commissioner (RPFC), Chennai towards interest and damages against belated payments made in the earlier years. Against the writ petition filed by the Company on 5th December 2005, the Madras High Court in its order dated 27th October 2006 has directed the RPFC, Chennai to pass final orders after giving an opportunity to the Company for personal hearing. The Company have also written a letter dated December 02, 2010 with a follow up letter dated February 27, 2012 to the RPFC, Chennai informing that the above amount is not payable by the Company by furnishing all related information

C. General

1. 525 MW Tuticorin Power Project

- (i) The Company is engaged in the development of Tuticorin Thermal Power Project Stage IV - 1 X 525 MW (Unit 1) at Tuticorin (Project), Tamilnadu. The Company has obtained required statutory and non-statutory clearances for establishment of the Project including the Techno-Economic Clearance (TEC) from the Central Electricity Authority (CEA), No Objection Certificate from Aviation Authority of India for the Chimney height at the alternate land, Environmental Clearance from the Ministry from the Environment & Forest (MoEF) for the project to be located at the alternate land and the Environmental Clearance for the CRZ Facilities. The Company and Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) - successor entity of TNEB have earlier entered into a Power Purchase Agreement (PPA) dated 12.2.1998 with the approval of Government of Tamilnadu (GoTN) for the entire power generated from the Project. Subsequently, TANGEDCO informed the Company to obtain the required approval from Appropriate Authority / TNERC towards implementation of the Project. Accordingly, the Company approached the Honourable Tamilnadu Electricity regulatory Commission (TNERC) for a suitable direction for implementation of the project. Hon'ble TNERC passed the final orders on 9.5.2011 for implementation of the project including directing certain changes to the PPA in line with the TNERC Tariff Regulations of 2005. Accordingly, the Company and TANGEDCO signed the amendments to the PPA on 10.1.2012 with the approval of the Board of TANGEDCO and the amended PPA was submitted to Hon'ble TNERC on 13.1.2012.
- (ii) In continuation of the Shareholders and Share Subscription Agreement (SSA) executed with Tamilnadu Petroproducts Limited (TPL) and Trinity Infraventures Limited (TIL), TIL continues to meet the complete current expenses of SEPC. They have contributed in aggregate an amount of Rs. 2968.455 Lakhs as on 31.3.2012. Against this amount, 1,54,14,550 equity shares of Rs 10/- each at par cumulating to Rs 1541.455 Lakhs have been allotted to TIL's nominee M/s Goldstone Power Private Limited.
2. None of the employees were in receipt of remuneration in excess of the amount prescribed in Section 217(2A) of the Companies Act, 1956.
3. Other items not specifically mentioned above are done as per the generally accepted accounting policies.
4. Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's classification.
5. Figures have been rounded off to the nearest thousands of rupees.

For M/s.Raman Associate
Chartered Accountants

G.Vasudevan
Partner
M.No.: 020739
Place: Chennai
Date : 29th June 2012

For and on behalf of the Board

R. Soundararajan
Director

V.Ramani
Director

N.K. Rawal
Director

RM. Muthukaruppan
Director

L.P. Sashikumar
Director

BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE

I. Registration Details :

 Registration No.

0	3	0	6	6	0
---	---	---	---	---	---

 State Code :

1	8
---	---

 Balance Sheet :

3	1
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 /

0	3
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 /

2	0	1	2
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 Date Month Year

II. Capital Raised during the Year (Amount in Rs. Lacs)

 Public Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Rights Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Bonus Issue

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Private Placement

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Source of Funds

 Total Liabilities

			5	8	1	6	8	8
--	--	--	---	---	---	---	---	---

 Total Assets

			5	8	1	6	8	8
--	--	--	---	---	---	---	---	---

 Paid-up Capital #

			5	8	1	6	8	8
--	--	--	---	---	---	---	---	---

 Reserves and Surplus

			0	1	0	3	7	6	0
--	--	--	---	---	---	---	---	---	---

 Secured Loans

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Unsecured Loans

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Deferred Tax Liability

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Including Share Application Money pending allotment

Application of Funds

 Net Fixed Assets

			5	4	1	5	3	1
--	--	--	---	---	---	---	---	---

 Investments

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Net Current Assets

			4	0	1	5	7
--	--	--	---	---	---	---	---

 Misc Expenditure

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Accumulated Losses

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

IV. Performance of Company (Amount in Rs. Lacs)

 Turnover / Income

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Total Expenditure

--	--	--	--	--	--	--	--	--

 Profit Before Tax

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

 Profit After Tax

-	-	-	N	I	L	-	-	-
---	---	---	---	---	---	---	---	---

Earnings per Share in Rs.

	N	I	L	
--	---	---	---	--

Dividend rate %

	N	I	L	
--	---	---	---	--

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Not applicable, since the Company is yet to start its operations.

SPIC ELECTRIC POWER CORPORATION PRIVATE LIMITED
Regd. Office: TPL HOUSE, 3, CENOTAPH ROAD, TEYNAMPET, CHENNAI – 600 018

PROXY FORM

I/We of
being a member/ members of the above named company hereby appoint
of as my/our proxy to vote for me/us on my/
our behalf at the 17th Annual General Meeting of the company to be held on Friday, the 20th July, 2012 at 11.00 A.M at
the Registered Office of the Company and at any adjournment thereof.

**Please
Affix Rs.1
Revenue
Stamp**

Signed this..... day of _____ 2012.

NOTE:

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
- b) Proxy need not be a member.
- c) The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.

SPIC ELECTRIC POWER CORPORATION PRIVATE LIMITED

Regd. Office: TPL HOUSE, 3, CENOTAPH ROAD, TEYNAMPET, CHENNAI – 600 018

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting venue)

Regd. Folio / :

Shares held :

Client ID/ DPID

I hereby record my presence at the 17th Annual General Meeting of the company to be held on Friday, the 20th July, 2012 at 11.00 A.M at the Registered Office of the Company.

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

- Note :**
- 1) To be signed at the time of handing over this slip.
 - 2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.

