**TAMILNADU PETROPRODUTS LIMITED**
Registered Office& Factory: Manali Express Highway, Manali, Chennai-600068
Tel.: 44-25941501 - 10, Telefax: 044-25941139
CIN: L23200TN1984PLC010931 Website: www.tnpetro.com E-mail: secy-legal@tnpetro.com

# FINANCIAL STATEMENTS & OTHER REPORTS

# OF

# SUBSIDIARY COMPANIES

## FOR THE YEAR 2013-14

- **CERTUS INVESTMENT & TRADING LIMITED - CONSOLIDATED**
- **CERTUS INVESTMENT & TRADING LIMITED - STANDALONE**
- **CERTUS INVESTMENT AND TRADING (S) PRIVATE LIMITED - STANDALONE**
- **PROTEUS PETROCHEMICALS PRIVATE LIMITED - STANDALONE**

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

**CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

| **CONTENTS** | **PAGES** |
|---|---|

**CERTUS INVESTMENT & TRADING LIMITED**
**CORPORATE DATA**

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

**REGISTERED OFFICE** : IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

**SECRETARY** : International Financial Services Limited
IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

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

**BANKER** : HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18, Cybercity
Ebene
Mauritius

**COMMENTARY OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014**

The directors present the audited consolidated financial statements of CERTUS INVESTMENT & TRADING LIMITED (the "Company") and that of its subsidiaries for the year ended 31 March 2014.

**PRINCIPAL ACTIVITY**

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

**RESULTS AND DIVIDEND**

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

No dividend has been paid or declared for the year under review (2013:USD Nil).

**DIRECTORS**

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

**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 performance and cash flows of the Group and the Company. In preparing those financial statements, the directors are required to:

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

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

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

**AUDITORS**

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

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

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **CERTUS INVESTMENT & TRADING LIMITED** under the Mauritius Companies Act 2001 during the year ended 31 March 2014.

________________________________________

**For International Financial Services Limited**
**Secretary**

**Registered office:**
IFS Court, TwentyEight, Cybercity, Ebene, Mauritius
Date: 13 May 2014

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

**Report on the Group Financial Statements**

We have audited the financial statements of **CERTUS INVESTMENT & TRADING LIMITED (the "Company") and its subsidiaries (together referred as the "Group")** set out on pages 7 to 29, which comprise the consolidated statement of financial position as at 31 March 2014 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical 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***

The evidence available to us was limited because we were unable to obtain direct confirmation for trade payables amounting to USD597,665 which is included in trade and other payables of the Group. There were no other satisfactory audit procedures that we could adopt to confirm the completeness and accuracy of the amount USD597,665 included in trade and other payables of the Group.

***Qualified opinion arising from limitation in audit scope***

In our opinion, expect for any adjustment that might have been found to be necessary had we been able to obtain direct confirmation for the trade payables, referred to in the basis for qualified opinion paragraph, the financial statements set out on pages 7 to 29 give a true and fair view of the financial position of the Group and the Company at 31 March 2014, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

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

***Other Matter***

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

**Report on Other Legal and Regulatory Requirements**

***Mauritius Companies Act 2001***

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

We have not 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**

**Ouma Shankar Ochit FCCA**
**Licensed by FRC**

**Date**: 13 May 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 MARCH 2014**

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2014** | 2013 | **2014** | 2013 |
| | | **USD** | USD | **USD** | USD |
| Revenue | | **-** | 3,920,650 | **-** | - |
| Cost of sales | | **-** | (3,917,500) | **-** | - |
| Gross profit | | **-** | 3,150 | **-** | - |
| Other income | | **48,362** | 77,078 | **31,562** | 30,736 |
| | | **48,362** | **80,228** | **31,562** | **30,736** |
| **Expenses** | | | | | |
| Administration expenses | | **13,560** | 40,220 | **-** | - |
| License fees | | **2,500** | 1,963 | **2,500** | 1,963 |
| Audit fees | | **9,502** | 4,600 | **3,450** | 4,600 |
| Bank charges | | **2,558** | 280 | **385** | 280 |
| Disbursements | | **312** | - | **-** | - |
| Depreciation | 6 | **779** | 10,344 | **-** | - |
| Operational expenses | | **5,393** | 13,491 | **-** | - |
| Financial cost | | **-** | 30,578 | **-** | - |
| Professional fees | | **28,268** | - | **18,257** | 15,833 |
| | | **62,872** | **101,476** | **24,592** | **22,676** |
| **Operating (loss)/profit for the year** | | **(14,510)** | (21,248) | **6,970** | 8,060 |
| Impairment of investment in subsidiary company | | **-** | - | **-** | (299,999) |
| Impairment of investment in associated company | | **-** | (429,999) | **-** | (429,999) |
| Impairment of advance to subsidiary company | | **-** | - | **-** | (4,800,900) |
| Payables written back | | | 70,583 | **-** | 70,583 |
| Unrealised exchange gain | | **1,764** | - | **-** | - |
| Realised exchange loss | | **(895)** | - | **-** | - |
| Investment in associated company written off | 8 | **(1)** | - | **(1)** | - |
| Receivable from associated company written off | 10 (iv) | **(7,602)** | - | **(7,602)** | - |
| Advance to associated company written off | 14 (iii) | **(126,027)** | - | **(126,027)** | - |
| **Loss before taxation** | | **(147,271)** | (380,664) | **(126,660)** | (5,452,255) |
| Taxation | 5 | **(9,389)** | - | **-** | - |
| **Loss for the year** | | **(156,660)** | (380,664) | **(126,660)** | (5,452,255) |
| **Other comprehensive income** | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | **-** | - | **-** | - |
| Items that may be classified subsequently to profit or loss | | **-** | - | **-** | - |
| **Total comprehensive loss for the year** | | **(156,660)** | (380,664) | **(126,660)** | (5,452,255) |

The notes on pages 11 to 29 form and integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014**

| | Notes | The Group | | The Company | |
|---|---|---|---|---|---|
| | | **2014** | 2013 | **2014** | 2013 |
| | | **USD** | USD | **USD** | USD |
| **ASSESTS** | | | | | |
| **Non-current assets** | | | | | |
| Plant and equipment | 6 | **128** | 907 | **-** | - |
| Investments in subsidiary companies | 7 | **-** | - | **1,875,340** | 1,875,340 |
| Investments in associated company | 8 | **-** | 1 | **-** | 1 |
| Other asset | 9 | **2,000,000** | 2,000,000 | **-** | **-** |
| | | **2,200,128** | 2,000,908 | **1,875,340** | 1,875,341 |
| **Current assets** | | | | | |
| Advances and prepayments | 10 | **4,995,624** | 7,324,201 | **4,684,312** | 4,790,436 |
| Cash and cash equivalents | 11 | **10,843,912** | 10,824,444 | **10,145,452** | 10,166,320 |
| | | **15,839,536** | 18,148,645 | **14,829,764** | 14,956,756 |
| **Total assets** | | **17,839,664** | 20,149,553 | **16,705,104** | 16,832,097 |
| **EQUITY AND LIABILITY** | | | | | |
| **Capital and reserves** | | | | | |
| Stated capital | 12 | **20,419,000** | 20,419,000 | **20,419,000** | 20,419,000 |
| Accumulated losses | | **(4,130,376)** | (3,973,716) | **(3,733,578)** | (3,606,918) |
| | | **16,288,624** | 16,445,284 | **16,685,422** | 16,812,082 |
| **Current liability** | | | | | |
| Trade and other payables | 13 | **1,551,040** | 3,704,269 | **19,682** | 20,015 |
| **Total equity and liability** | | **17,839,664** | 20,149,553 | **16,705,104** | 16,832,097 |

Approved by the Board for issue on **13th May 2014** and signed on its behalf by:

__________________________________ __________________________________

**Director** **Director**

The notes on pages 11 to 29 form an integral part of these financial statements

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2014**

**The Group**

| | Stated capital USD | Accumulated losses USD | Currency translation reserve USD | Total USD |
|---|---|---|---|---|
| At 1 April 2012 | | | | |
| - As previously stated | 20,419,000 | (3,608,272) | 14,831 | 16,825,559 |
| - Prior year adjustment | - | 15,220 | (14,831) | 389 |
| A restated | 20,419,000 | (3,593,052) | - | 16,825,948 |
| Total comprehensive loss for the year | - | (380,664) | - | (380,664) |
| At 31 March 2013 | 20,419,000 | (3,973,716) | - | 16,445,284 |
| Total comprehensive loss for the year | - | (156,660) | - | (156,660) |
| **At 31 March 2014** | **20,419,000** | **(4,130,376)** | **-** | **16,288,624** |

**The Company**

| | Stated capital USD | Accumulated losses USD | Total USD |
|---|---|---|---|
| At 01 April 2012 | 20,419,000 | 1,845,337 | 22,264,337 |
| Total comprehensive loss for the year | - | (5,452,255) | (5,452,255) |
| At 31 March 2013 | 20,419,000 | (3,606,918) | 16,812,082 |
| Total comprehensive loss for the year | - | (126,660) | (126,660) |
| **At 31 March 2014** | **20,419,000** | **(3,733,578)** | **16,685,422** |

The notes on pages 11 to 29 form an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2014**

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | **Notes** | **2014** | 2013 | **2014** | 2013 |
| | | **USD** | USD | **USD** | USD |
| **Cash flows from operating activities** | | | | | |
| Loss before taxation | | **(147,271)** | (380,664) | **(126,660)** | (5,452,255) |
| Adjustment for | | | | | |
| Depreciation | 6 | **779** | 10,344 | | - |
| Interest income | | **(48,362)** | - | **(31,562)** | (30,736) |
| Payables written back | | **-** | - | **-** | (70,583) |
| Impairment of investment in subsidiary company | | **-** | - | **-** | 299,999 |
| Impairment of investment in associated company | | **-** | 429,999 | **-** | 429,999 |
| Investment in associated company written off | 8 | **1** | - | **1** | - |
| Impairment of advance to subsidiary company | | **-** | - | **-** | 4,800,900 |
| Receivable from associated company written off | 10 (iv) | **7,602** | - | **7,602** | - |
| Advance to associated company written off | 14 (iii) | **126,027** | - | **126,027** | - |
| **Operating (loss)/profit before working capital changes** | | **(61,224)** | 59,679 | **(24,592)** | (22,676) |
| Decrease/(increase) in advances and prepayments | | **2,190,691** | 708,283 | **(200)** | (30,714) |
| (Decrease)/increase trade and other payables | | **(2,153,229)** | (713,250) | **(333)** | (3,089) |
| **Cash (used in)/from operations** | | **(23,762)** | 54,712 | **(25,125)** | (56,479) |
| Income tax paid | | **(9,389)** | - | **-** | - |
| **Net cash (used in)/from operating activities** | | **(33,151)** | 54,712 | **(25,125)** | (56,479) |
| | | | | | |
| **Cash flows from investing activities** | | | | | |
| Acquisition of plant & equipment | | **-** | (399) | **-** | - |
| Interest received | | **48,362** | - | **-** | 30,736 |
| Surplus assets received on liquidation from associated company | 14 (iii) | **4,257** | - | **4,257** | - |
| Loan advanced to third party | 10 (i) | **(10,000,000)** | - | **-** | - |
| Loan repaid by third party | 10 (i) | **10,000,000** | - | **-** | - |
| **Net cash from/(used in) investing activities** | | **52,619** | (399) | **4,257** | 30,736 |
| | | | | | |
| **Cash flows from financing activities** | | | | | |
| Loan advanced to subsidiary company | 14 (i) | **-** | **-** | **(10,000,000)** | (10,000,000) |
| Loan repaid by subsidiary company | 14 (i) | **-** | **-** | **10,000,000** | 10,000,000 |
| **Net cash from financing activities** | | **-** | **-** | **-** | - |
| | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | **19,468** | 54,313 | **(20,868** | (25,743) |
| | | | | | |
| Cash and cash equivalents at beginning of the year | | **10,824,444** | 10,770,131 | **10,166,320** | 10,192,063 |
| | | | | | |
| **Cash and cash equivalents at end of the year** | 11 | **10,843,912** | 10,824,444 | **10,145,452** | 10,166,320 |

The notes on pages 11 to 29 form and integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

## 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, TwentyEight, Cybercity, Ebene, Mauritius.

The consolidated financial statements relate comprise the financial statements of the Company and its subsidiaries. The financial statements of the Group are presented in United States Dollar ("USD") , which is the 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 on page 3.

## 2. Basis of preparation

*(a)* *Statement of compliance*

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

*(b)* *Basis of measurement*

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

*(i)* *Functional and presentation currency*

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

*(ii)* *Transactions and balances*

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

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

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

*(d)* *Basis of consolidation*

The consolidated financial statements incorporate the result of CERTUS INVESTMENT & TRADING LIMITED (the parent company) and that of its subsidiaries, Certus Investment and Trading (S) Private Limited and Proteus Petrochemicals Private Limited collectively referred to as the "Group". The reporting period of the parent company and the Subsidiaries is 31 March 2014. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Company They are de-consolidated from the date that control ceases.

## 3. Accounting policies

(a) Changes in accounting policy and disclosures

*Standards, Amendments to published Standards and Interpretations effective in the reporting period*

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting form these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

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 company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements.

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The *standard is not expected to have any impact on the Group's financial statements.*

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be accounted for using the equity method of accounting. *The standard has no impact on the Group's financial statements.*

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. *The standard has no impact on the Group's financial statements.*

IFRS13, '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 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 others standards within IFRSs.

IFRIC20, 'Stripping costs in the production phase of a surface mine', has no impact on the Group's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures and is not expected to have any impact on the Group's financial statements.

Amendment to IFRS 1 (Government Loans) has no impact on the Group's financial statements.

*Annual Improvements to IFRSs 2009-2011 Cycle*

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Group's operations.

IAS 1 (Amendment), 'Presentation of financial statements;, clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and error's or voluntarily.

IAS 16 (Amendment), 'Property, plant and equipment', clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. *The amendment does not have an impact on the Group's operations.*

**3. Accounting policies (continued)**

*(a) Changes accounting policy and disclosures (continued)*

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. *The amendment does not have an impact on the Group's operations.*

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

*Standards, Amendments to published Standards and interpretations issued but not yet effective.*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2014 or later periods, but which the *Company* has not early adopted.

At end of the reporting period, the following were in issue but not yet effective:

IFRS 9 Financial Instruments
IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21 : Levies
Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Annual Improvements to IFRSs 2010-2012 cycle
Annual Improvements to IFRSs 2011-2013 cycle

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Financial instruments

Financial assets and financial liabilities are recognized 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 recognized in the consolidated statement of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired. The allowance recognized 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 recognized on an effective interest basis for debt instruments other than those financial instruments 'at fair value through profit or loss'.

**3. Accounting policies (continued)**

(b) Financial instruments (continued)

(i) Financial assets (continued)

*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 consolidated statement of profit or loss and other comprehensive income. Changes in the carrying amount of the allowance account are recognized in the consolidated statement of profit or loss and other comprehensive income.

*Other investments*

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

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 recognized 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 recognized in the consolidated statement of profit or loss and other comprehensive income for equity investments classified as available-for-sale are subsequently reversed in the consolidated statement of profit or loss and other 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 recongnised on an effective yield basis, except for short-term payables when the recognition of interest would be immaterial.

**3. Accounting policies (continued)**

(ii) Financial liabilities and equity instruments (continued)

*Financial liabilities (continued)*

Interest-bearing bank loans and overdrafts are initially measure at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement of redemption of borrowing is recognized 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 recognized less accumulated amortisation. Amortisation (if any) is recognised in the consolidated statement of profit or loss and other comprehensive income over the guarantee period on a straight-line basis.

(c) Impairment of non-financial assets

At end of each 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 that 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 consolidated statement of profit or loss and other comprehensive income.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

(d) Plant and equipment

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

| | No. of years |
|---|---|
| Computer equipments | 3 |

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

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

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

**3. Accounting policies (continued)**

(d) Plant and equipment (continued)

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

(e) 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 it 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.

(f) Cash and cash equivalents

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

(g) 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.

(h) 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 if 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 consolidated statement of profit or loss other 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.

**3. Accounting policies (continued)**

(i) 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.

(j) Revenue recognition

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

(k) Sales of goods

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

(i) the Group has transferred to the buyer the significant risks and rewards of the ownership of the goods.
(ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the good sold;
(iii) the amount of the revenue can be measured reliably;
(iv) it is probable that the economic benefits associated with the transaction will flow to the entity; and
(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(l) Rendering of services

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

(m) Interest income

Interest income is recognised on the accrual basis.

(n) Dividend income

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

(o) Borrowing costs

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

(p) 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.

**3. Accounting policies (continued)**

(p) Inventories (continued)

When inventories are sold, the carrying amount of these inventories is recognised as an expense in the period in which the related revenue is recongnised. 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 realizable value is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(q) Income tax

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

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

Deferred tax is recognized 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 recognized for all taxable temporary differences and deferred tax assets are recognized 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 recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

(r) Deferred tax

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 end of each reporting period. Deferred tax is charged or credited to the consolidated statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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 recognized 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 recognized 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 calculation 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.

**3. Accounting policies (continued)**

(s) 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 Sates 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 recognized 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.

(t) Stated capital

Ordinary shares are classified as equity.

(u) Receivables

Receivables are carried at anticipated realizable value. An estimate is made of doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

4. **Critical accounting estimates and judgements**

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

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

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

*Determination of functional currency*

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

*Going concern*

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

## 8 Investment in associated company

| | The Group and Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| At beginning and end of the year | **1** | 430,000 |
| Impairment during the year | **-** | (429,999) |
| Written off during the year | **(1)** | - |
| At end of the year | **-** | 1 |

| Name of associated company | Country of incorporation | % holding | Cost | | Fair values | |
|---|---|---|---|---|---|---|
| | | | **2014** | 2013 | **2014** | 2013 |
| | | | **USD** | USD | **USD** | USD |
| Gulf Petro Product Company E.C. | Bahrain | 50 | **-** | 430,000 | **-** | 1 |

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

The investment in Gulf Petro Product Company E.C has been fully written off as the associated company has been liquidated during the year. Surplus asset received from Gulf Petro Product Company E.C was offset against advance to associated company (note 14 (iii)).

**9. Other asset**

Deposit

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

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

Should the Subsidiary not activate the project by 31 December 2016, the deposits paid to the third party will be forfeited.

At end of the reporting period, management is currently looking for another location to build the NP Plant.

**10. Advances and prepayments**

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| | **USD** | USD | **USD** | USD |
| Prepayments | **2,275** | 2,746 | **2,275** | 2,075 |
| Trade receivables | **107,439** | 962,439 | **-** | - |
| Short term advances | **4,869,860** | 6,205,080 | **-** | - |
| Interest receivable from subsidiary company (see note 14(i)) | **-** | - | **62,140** | 30,578 |
| Advances to subsidiary companies (see note 14 (i)) | **-** | - | **4,619,897** | 4,619,897 |
| Advances to associated company (see not 14 (iii)) | **-** | 130,284 | **-** | 130,284 |
| Advance to ultimate holding company (see note 14 (ii)) | **16,050** | 16,050 | **-** | - |
| Receivable from associated company | **-** | 7,602 | **-** | 7,602 |
| | **4,995,624** | 7,324,201 | **4,684,312** | 4,790,436 |

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

(i) During the year, Certus Investment and Trading (S) Private Limited provided a loan interest bearing of 0.42% per annum of USD 10m to a third party and this amount was fully paid during the year.

(ii) Trade receivables are non-interest bearing and are generally settled as per terms mutually agreed between the parties. Trade receivables are recognized at their original invoice amounts which represents their fair values on initial recognition.

The Group assesses at the end of each reporting period whether there is objective evidence that trade and other receivables are impaired.

However, no allowance for impairment is made, as there is no objective evidence that the Group will not be able to collect all amounts due according to the terms of receivables.

(iii) At end of the reporting period, the short term advances amounting to USD4,869,860 (2013:USD6,095,180) to a third party is subject to interest rate of 0.5% per annum with effect from 1 April 2014 and to be repayable on demand and is to be settled in cash.

(iv) The receivable of USD7,602 from Gulf Petro Product Company E.C has been fully written off as the associated company has been liquidated during the year.

**11. Cash and cash equivalents**

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2014** | 2012 | **2014** | 2012 |
| | **USD** | USD | **USD** | USD |
| Cash at bank | **10,843,912** | 10,824,444 | **10,145,452** | 10,166,320 |

**12. Stated capital**

| | The Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| Issued and fully paid with no par value | | |
| 204,190 ordinary shares of USD100 each | **20,419,000** | 20,419,000 |

The ordinary shares carry:

(a) the right to one vote on a poll at a meeting of the Company on any resolution;

(b) the right to an equal share in dividends authorised by the Board; and

(c) the right to an equal share in the distribution of the surplus assets of the Company.

**13. Trade and other payables**

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2014** | 2013 | **2014** | 2013 |
| | **USD** | USD | **USD** | USD |
| Trade payables to ultimate holding company | **-** | 2,155,758 | **-** | - |
| Trade payables | **620,579** | 621,496 | **-** | - |
| Other payables | **900,000** | 900,000 | **-** | - |
| Payable to shareholder (see note 14 (iv)) | **13,831** | 13,831 | **13,831** | 13,831 |
| Accruals | **16,630** | 13,184 | **5,851** | 6,184 |
| | **1,551,040** | 3,704,269 | **19,682** | 20,015 |

**14. Related party transactions**

| | The Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| (i) Advances to subsidiary companies | | |
| *Receivable from Certus Investment & Trading (S) Private Limited* | | |
| At beginning of the year | **3,495,797** | 3,495,797 |
| Advanced during the year | **10,000,000** | 10,000,000 |
| Payment received during the year | **(10,000,000)** | (10,000,000) |
| At end of the year | **3,495,797** | 3,495,797 |

- The advance to Certus Investment and Trading (S) Private Limited amounting to USD3,495,797 is unsecured, interest free and receivable on demand.
- The advance to Certus Investment and Trading (S) Private Limited amounting to USD 10,000,000 is unsecured, bears interest at the rate of 0.32% per annum and is payable in one single tranche on or before 31 March 2014. In case of non-payment of interest payable, an interest rate of 2% will be applicable. An amount of USD 10,000,000 bearing interest at the rate of 0.32% per annum, was advanced during the year. The USD 10,000,000 was repaid on 28 March 2014. Interest income for the year 2014 amounted to USD 31,562.

As at 31 March 2014, interest receivable from Certus Investment & Trading (S) Pte Ltd. amounted to **USD62,140 (2013:30,578).**

**14. Related party transactions (continued)**

(i) Advances to subsidiary companies (continued)

| | The Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| *Receivable from Proteus Petrochemicals Private Limited* | | |
| At beginning of the year | **1,124,100** | 5,925,000 |
| Impairment during the year | **-** | (4,800,900) |
| At end of the year | **1,124,100** | 1,124,100 |
| | **4,619,897** | 4,619,897 |

The advance to Proteus Petrochemicals Private Limited is unsecured, interest free and receivable on demand.

(ii) <u>Advance to associated company</u>

| | The Group | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| At beginning of the year | **-** | - |
| Advance during the year | **16,050** | - |
| At end of the year | **16,050** | - |

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

(iii) <u>Advance to associated company</u>

| | The Group and Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| At beginning of the year | **130,284** | 130,284 |
| Received during the year as surplus assets on liquidation | **(4,257)** | - |
| Written off during the year | **(126,027)** | - |
| At end of the year | **-** | 130,284 |

Gulf Petro Product Company E.C was liquidated during the year under review and the Company received surplus asset of USD4,257 which was offset against advance to associated company. The remaining amount of USD126,027 was written off during the year.

**14. Related party transactions (continued)**

(iv) Payable to shareholder

| | The Group and Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| At beginning and end of the year | **13,831** | 13,831 |

The payable to shareholder is unsecured, interest free and repayable on demand.

(v) International Financial Services Limited

| | The Company | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| ***Transactions during the year:*** | | |
| Professional fees | **18,257** | 15,833 |

The above services from International Financial Services Limited are provided on commercial terms and conditions.

**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 the financial assets and liabilities approximate their fair values.

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

## 16. Financial instruments and associated risks (continued)

(b) Currency profile

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

**The Group**

| | **2014** | | 2013 | |
|---|---|---|---|---|
| | **Financial assets** | **Financial liabilities** | Financial assets | Financial liabilities |
| | **USD** | **USD** | USD | USD |
| Singapore Dollars | **637,793** | **-** | 268,861 | 155,211 |
| United States Dollars | **17,199,468** | **1,551,040** | 19,877,038 | 3,549,058 |
| | **17,837,261** | **1,551,040** | 20,145,899 | 3,704,269 |

**The Company**

| | **2014** | | 2013 | |
|---|---|---|---|---|
| | **Financial assets** | **Financial liabilities** | Financial assets | Financial liabilities |
| | **USD** | **USD** | USD | USD |
| United States Dollars | **14,827,489** | **19,682** | 14,954,681 | 20,015 |

(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.

**16. Financial instrument and associated risk (continued)**

(d) Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Group and 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 Group and the Company places its cash and cash equivalents with creditworthy financial institutions.

The Group's and 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

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

The Company hold fixed interest bearing securities and cash. Interest rate movements may affect the level of income receivable on cash deposits and cash equivalents. Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates. The interest on the interest bearing income securities is fixed and as a result, the Company is not subject to the risk due to fluctuation in the prevailing levels of market interest rates. For the reasons set out above, the does not expose the Company to significant risk.

(f) Liquidity risk

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 2014.

**CERTUS INVESTMENT & TRADING LIMITED**

**FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**CONTENTS** **PAGES**

**CERTUS INVESTMENT & TRADING LIMITED**

**CORPORATE DATA**

| | | | Date of appointment |
|---|---|---|---|
| **DIRECTORS** | : | Ashwin Chidambaram Muthiah | 5 November 2001 |
| | | Zakir Hussein Niamut | 19 December 2011 |
| | | Yashwant Kumar Beeharee | 5 February 2013 |

**REGISTERED OFFICE** : IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

**SECRETARY & TAX AGENT** : International Financial Services Limited
IFS Court
TwentyEight
Cybercity
Ebene
Mauritius

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

**BANKER** : HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18, Cybercity
Ebene
Mauritius

## COMMENTARY OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2014

The directors present the audited financial statements of CERTUS INVESTMENT & TRADING LIMITED (the "Company") for the year ended 31 March 2014.

### PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment holding company.

### RESULTS

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

### DIRECTORS

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

### DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the 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 Mauritius 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 MAURITIUS COMPANIES ACT 2001**

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **CERTUS INVESTMENT & TRADING LIMITED** under the Mauritius Companies Act 2001 during the year ended 31 March 2014.

________________________________________

**For International Financial Services Limited**
**Secretary**

**Registered office:**
IFS Court, TwentyEight, Cybercity, Ebene, Mauritius
Date: 25th April 2014

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

**Report on the Financial Statements**

We have audited the financial statements of **CERTUS INVESTMENT & TRADING LIMITED** (the "Company") set out on pages 7 to 24, which comprise the statement of financial position as at 31 March 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical 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. However, as stated in note 5 to the financial statements, Certus Investment & Trading (S) Pte Ltd and Proteus Petochemicals Private Limited are subsidiaries of the Company. Consolidated financial statements, which incorporate the financial statements of the Company and it subsidiaries, will be presented in a separate document and as such, no opinion is being expressed on such consolidated financial statements in this report.

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 set out on pages 7 to 24 give a true and fair view of the financial position of the Company at 31 March 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as comply with the Mauritius Companies Act 2001.*

***Other Matter***

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

**Report on Other Legal and Regulatory Requirements**
**Mauritius Companies Act 2001**

We have no relationship with or interests in the Company 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 as far as it appears from our examination of those records.

| | |
|---|---|
| **Nexia Baker & Arenson** | **Ouma Shankar Ochit FCCA** |
| **Chartered Accountants** | **Licensed by FRC** |

**Date**: 25th April 2014

**CERTUS INVESTMENT & TRADING LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2014**

| | Notes | 2014 | 2013 |
|---|---|---|---|
| | | **USD** | USD |
| **Income** | | | |
| Interest | 11 (i) | **31,562** | 30,736 |
| **Expenses** | | | |
| Professional fees | | **18,257** | 15,833 |
| Licence fees | | **2,500** | 1,963 |
| Audit fees | | **3,450** | 4,600 |
| Bank charges | | **385** | 280 |
| | | **24,592** | 22,676 |
| **Operating profit for the year** | | **6,970** | 8,060 |
| Impairment of investment in subsidiary company | | **-** | (299,999) |
| Impairment of investment in associated company | | **-** | (429,999) |
| Impairment of advance to subsidiary company | | **-** | (4,800,900) |
| Payables written back | | **-** | 70,583 |
| Investment in associated company written off | 6 | **(1)** | - |
| Receivable from associated company written off | 7 | **(7,602)** | - |
| Advance to associated company written off | 11 (ii) | **(126,027)** | - |
| **Loss before taxation** | | **(126,660)** | (5,452,255) |
| Taxation | 4 | **-** | **-** |
| **Loss for the year** | | **(126,660)** | (5,452,255) |
| **Other comprehensive income** | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Items the may be classified subsequently to profit or loss | | - | - |
| **Total comprehensive loss for the year** | | **(126,660)** | (5,452,255) |

The notes on pages 11 to 24 form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014**

| | Notes | 2014 | 2013 |
|---|---|---|---|
| | | **USD** | USD |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Investments in subsidiary companies | 5 | **1,875,340** | 1,875,340 |
| Investment in associated company | 6 | **-** | 1 |
| | | **1,875,340** | 1,875,341 |
| **Current assets** | | | |
| Advances and prepayments | 7 | **4,684,312** | 4,790,436 |
| Cash and cash equivalents | 8 | **10,145,452** | 10,166,320 |
| | | **14,829,764** | 14,956,756 |
| **Total assets** | | **16,705,104** | 16,832,097 |
| **EQUITY AND LIABILITY** | | | |
| **Capital and reserves** | | | |
| Stated capital | 9 | **20,419,000** | 20,419,000 |
| Accumulated losses | | **(3,733,578)** | (3,606,918) |
| | | **16,685,422** | 16,812,082 |
| **Current liability** | | | |
| Payables and accruals | 10 | **19,682** | 20,015 |
| **Total equity and liability** | | **16,705,104** | 16,832,097 |

Approved by the Board for issue on **25th April 2014** and signed on its behalf by:

Sd. Sd

**Director** **Director**

The notes on pages 11 to 24 form an integral part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 31 MARCH 2014**

| | Stated capital | Accumulated losses | Total |
|---|---|---|---|
| | USD | USD | USD |
| At 1 April 2012 | 20,419,000 | 1,845,337 | 22,264,337 |
| Total comprehensive loss for the year | - | (5,452,255) | (5,452,255) |
| At 31 March 2013 | 20,419,000 | (3,606,918) | 16,812,082 |
| Total comprehensive loss for the year | - | (126,660) | (126,660) |
| **At 31 March 2014** | **20,419,000** | **(3,733,578)** | **685,422** |

The notes on pages 11 to 24 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2014**

| | Notes | 2014 | 2013 |
|---|---|---|---|
| | | USD | USD |
| **Cash flows from operating activities** | | | |
| Loss before taxation | | **(162,660)** | (5,452,255) |
| *Adjustments for:* | | | |
| Interest income | | **(31,562)** | (30,736) |
| Payables written back | | **-** | (70,583) |
| Impairment of investment in subsidiary company | | **-** | 299,999 |
| Impairment of investment in associated company | | **-** | 429,999 |
| Investment in associated company written off | 6 | **1** | - |
| Impairment of advance to subsidiary company | | **-** | 4,800,900 |
| Receivable from associated company written off | 7 | **7,602** | - |
| Advance to associated company written off | 11(ii) | **126,027** | - |
| **Operating losses before working capital changes** | | **(24,592)** | (22,676) |
| (Increase)/decrease in prepayments | | **(200)** | 22 |
| Decreasein payables and accruals | | **(333)** | (3,089) |
| **Net cash used in operating activities** | | **(25,125)** | (25,743) |
| | | | |
| **Cash flows from financing activities** | | | |
| Surplus assets received on liquidation from associated company | 11(ii) | **4,257** | - |
| Loan advanced to subsidiary company | 11(i) | **(10,000,000)** | (10,000,000) |
| Loan repaid by subsidiary company | 11(i) | **10,000,000** | 10,000,000 |
| **Net cash from operating activities** | | **4,257** | - |
| | | | |
| **Net decrease in cash and cash equivalents** | | **(20,868)** | (25,743) |
| | | | |
| **Cash and cash equivalents at beginning of the year** | | **10,166,320** | 10,192,063 |
| | | | |
| **Cash and cash equivalents at end of the year** | 8 | **10,145,452** | 10,166,320 |

The notes on pages 11 to 26 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

## 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 registered office address of the Company is at IFS Court, TwentyEight, Cybercity, Ebene, Mauritius.

The principal activity of the Company is to act as an investment holding company.

These financial statements of the Company are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency.

## 2. Basis of preparation

*(a)* *Statement of compliance*

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

*(b)* *Basis of measurement*

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

*(i) Functional and presentation currency*

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

*(ii) Transactions and balances*

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**2. Basis preparation (continued)**

*(c) Use of estimates and judgment (continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

*(d) Going concern*

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

**3. Accounting policies**

(a) Changes in accounting policy and disclosures

*Standards, Amendments to published Standards and Interpretations effective in the reporting period*

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustment).

IFRS10, '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 company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. *The standard is not expected to have any impact on the Company's financial statements.*

IAS 27, 'Separate Financial Statements' deals solely with separate financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. Accounting policies (continued)**

(a) Changes in accounting policies and disclosures (continued)

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

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangement is no longer permitted. *This standard is not expected to have any impact on the Company's financial statements.*

IAS 28, 'Investments in Associates and Joint Ventures'. The scope of the revised standard covers investments in joint ventures as well. IFRS 11 requires investments in joint ventures to be account for using the equity method of accounting. *The standard has no impact on the Company's financial statements.*

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. *The standard has no impact on the Company's financial statements.*

IFRS13, '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 requirement for use across IFRSs. The requirements 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.

IFRIC 20, 'Stripping costs in the production phase of a surface mine', has no impact on the Company's financial statements.

Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures and is not expected to have any impact on the Company's financial statements.

Amendment to IFRS 1 (Government Loans) has no impact on the Company's financial statements.

*Annual Improvements to IFRSs 2009- 2011 Cycle*

IFRS 1 (Amendment), 'First time adoption of IFRS', has no impact on the Company's *operations.*

IAS 1 (Amendment), 'Presentation of financial statements', clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors' or voluntarily.

IAS 16 (Amendment) 'Property, plant and equipment', clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. *The amendment does not have an impact on the Company's operations.*

IAS 32 (Amendment), 'Financial instruments: Presentation', clarifies the treatment of income tax relating to distributions and transaction costs. The amendment does not have *an impact on the Company's operations.*

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. Accounting policies (continued)**

(a) Changes in accounting policies and disclosures (continued)

IAS 34 (Amendment), 'Interim financial reporting', clarifies the disclosure requirements for segment assets and liabilities in interim financial statements.

*Standard, Amendments to published Standards and Interpretations issued but not yet effective*

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2014 or later periods, but which the *Company* has not early adopted.

At end of the reporting period, the following were in issue but not yet effective.

IFRS 9 Financial Instruments
IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
IFRIC 21: Levies
Recoverable Amount Disclosures for Non-financial Assets (Amendments to IAS 36)
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
IFRS 9 Financial instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
Annual Improvements to IFRSs 2010-2012 cycle
Annual Improvements to IFRSs 2011-2013 cycle

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Financial instruments

Financial instruments carried on the statement of financial position include advances, cash and cash equivalents and payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(c) Revenue recognition

Dividends are recognised when the Company's right to receive payment is established. Bank interest income and other interest income are recognised on an accrual basis.

(d) Expense recognition

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

(e) Investment in subsidiary companies

Subsidiary undertakings are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. Accounting policies (continued)**

(e) Investment in subsidiary companies (continued)

Investment in subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(f) Investment in associated company

An associate is an entity over which the Company has significant influence but not control, or joint control. Investments in associates are accounted for by the equity method except when classified as held for sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Company's share of the net assets of the associate less any impairment in the value of the individual investments.

When the Company's share of losses exceeds its interest in an associate, the Company discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

(g) Cash and cash equivalents

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

(h) Related parties

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

(i) Provisions

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

(j) Interest income

Interest income is recognised on an accrual basis.

(k) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**3. Accounting policies (continued)**

(k) Taxation (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(l) Stated capital

Ordinary shares are classified as equity.

(m) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

(n) Impairment of assets

At end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

## 4 TAXATION

*Income tax*

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

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

At 31 March 2014, the Company had accumulated tax losses of **USD14,416** (2013: USD21,386) which will be carried forward and available for set off against future taxable profits upto the year ending 31 March 2017.

A deferred tax asset of **USD 432** (2013:USD641) has not been recognized in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

| | **2014** | 2013 |
|---|---|---|
| | **USD** | USD |
| Loss before taxation | **(126,660)** | (5,452,255) |
| Tax at the rate of 15% | **(18,999)** | (817,838) |
| Tax effect of: | | |
| Exempt income | **-** | (24) |
| Non taxable income | **-** | (10,587) |
| Non allowable expense | **20,045** | **829,635** |
| Unauthorised deductions | **-** | - |
| | **1,046** | 1,186 |
| Tax losses brought forward | **(3,208)** | (4,393) |
| | **(2,162)** | (3,207) |
| Tax credit of 80% | **1,730** | 2,566 |
| Deferred tax not recognized | **432** | 641 |
| Tax charge | **-** | - |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

## 5 Investments in subsidiary companies

| | 2014 | 2013 |
|---|---|---|
| | USD | USD |
| At beginning of the year | **1,875,340** | 2,175,339 |
| Impairment during the year | **-** | (299,999) |
| At end of the year | **1,875,340** | 1,875,340 |

The details of the investments in subsidiary companies as at 31 March 2014 are as follows:

| Name of subsidiary companies | Country of incorporation | Principal activity | % Holding | Cost 2014 | Cost 2013 | Fair value 2014 | Fair value 2013 |
|---|---|---|---|---|---|---|---|
| | | | | USD | USD | USD | USD |
| Certus Investment & Trading (S) Pte Ltd | Singapore | Trading | 100 | **1,875,339** | 1,875,339 | **1,875,339** | 1,875,339 |
| Proteus Petrochemicals Private Limited | Singapore | Manufacture of Normal Paraffin (Petrochemicals) | 100 | **300,000** | 300,000 | **1** | 1 |
| | | | | **2,175,339** | 2,175,339 | **1,875,340** | 1,875,340 |

The directors are of opinion that there is no impairment on the value of the investment of Certus Investment & Trading (S) Pte Ltd at 31 March 2014 and that the fair value approximates at least its cost.

The directors have reviewed the financial position and performance of Proteus Petrochemicals Private Limited. They are of the opinion that the estimated recoverable amount of the investment in Proteus Petrochemicals Private Limited was less than its carrying amount and thus the value of USD 1 was maintained..

The consolidated financial statements, which incorporate the financial statements of the Company and that of Certus Investment & Trading (S) Pte Ltd and Proteus Petrochemicals Private Limited will be presently separately.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**6 Investment in associated company**

| | 2014 | 2013 |
|---|---|---|
| | USD | USD |
| Unquoted | | |
| At beginning of the year | 1 | 430,000 |
| Impairment during the year | - | (429,999) |
| Written off during the year | (1) | - |
| At end of the year | - | 1 |

The details of the investment in associated company as at 31 March 2014 are as follows:

| Name of associated company | Country of incorporation | % holding | At cost | | At fair value | |
|---|---|---|---|---|---|---|
| | | | 2014 | 2013 | 2014 | 2013 |
| | | | USD | USD | USD | USD |
| Gulf Petro Product Company E.C. | Bahrain | 50 | - | 430,000 | - | 1 |

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

The investment in Gulf Petro Product Company E.C has been fully written off as the associated company liquidated during the year. Surplus asset received from Gulf Petro Product Company E. C was offset against advance to associated company (note 11 (ii)).

**7. Advances and prepayments**

| | 2014 | 2013 |
|---|---|---|
| | USD | USD |
| Prepayments | 2,275 | 2,075 |
| Interest receivable from subsidiary company (see note 11(i)) | 62,140 | 30,578 |
| Advances to subsidiary companies ( see note 11 (i)) | 4,619,897 | 4,619,897 |
| Advance to associated company ( see note 11 (ii)) | - | 130,284 |
| Receivable from associated company | - | 7,602 |
| | 4,684,312 | 4,790,436 |

The receivable of USD7,602 from Gulf Petro Product Company E. C has been fully written off as the associated company liquidated during the year.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

## 8. Cash and cash equivalents

| | **2014** | 2013 |
|---|---|---|
| | **USD** | USD |
| Cash at bank | **10,145,452** | 10,166,320 |

## 9. Stated capital

| | **2014** | 2013 |
|---|---|---|
| | **USD** | USD |
| Issued and fully paid with no par value | | |
| 204,190 ordinary shares of USD100 each | **20,419,000** | 20,419,000 |

The ordinary shares carry:

(a) the right to one vote on a poll at a meeting of the Company on any resolution;

(b) the right to an equal share in dividends authorised by the Board; and

(c) the right to an equal share in the distribution of the surplus assets of the Company.

## 10. Payables and accruals

| | **2014** | 2013 |
|---|---|---|
| | **USD** | USD |
| Payable to shareholder (see note 11(iv)) | **13,831** | 13,831 |
| Accruals | **5,851** | 6,184 |
| | **19,682** | 20,015 |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

## 11. Related party transactions

During the year ended 31 March 2014, the Company transacted with related parties. Details of the nature, volume and balances of the transactions with the related parties are as follows:

| | Balance | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| (i) Advances to subsidiary companies | | |
| *Receivable from Certus Investment & Trading (S) Pte Ltd* | | |
| At beginning of the year | **3,495,797** | 3,495,797 |
| Advanced during the year | **10,000,000** | 10,150,000 |
| Payment received during the year | **(10,000,000)** | (10,150,000) |
| At end of the year | **3,495,797** | 3,495,797 |

The advance to Certus Investment and Trading (S) Pte Ltd amounting to USD3,495,797 is unsecured, interest free and repayable on demand.

The advance to Certus Investment and Trading (S) Pte Ltd amounting USD10,000,000 is unsecured, bears interest at the rate of 0.32 % per annum and is payable in one single tranche on or before 31 March 2014. In case of non-payment of interest payable, an interest rest of 2 % will be applicable on interest payable. An about of USD 10,000,000 bearing interest at the rate of 0.32% per annum, was advanced during the year. The USD 10,000,000 was repaid on 28 March 2014. Interest income for the year 2014 amounted to USD 31,562.

As at 31 March 2014, interest receivable from Certus Investment & Trading (S) Pte Ltd amounted to USD62,140 (2013: 30,578).

| | Balance | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| *Receivable from Proteus Petrochemicals Private Limited* | | |
| At beginning of the year | **1,124,100** | 5,925,000 |
| Impairment during the year | **-** | (4,800,900) |
| At end of the year | **1,124,100** | 1,124,100 |
| | **4,619,897** | 4,619,897 |

The advance to Proteus Petrochemicals Private Limited is unsecured, interest free and receivable on demand.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**11. Related party transactions (continued)**

(ii) Advance to associated company, Gulf Petro Product Company E.C

| | Balance | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| At beginning of the year | **130,284** | 130,284 |
| Received during the year as surplus assets on liquidation | **(4,257)** | - |
| Written of during the year | **(126,027)** | - |
| At end of the year | **130,284** | 130,284 |

Gulf Petro Product Company E.C was liquidate during the year under review the Company received surplus asset of USD4,257 which was offset against advance to associated company. The remaining amount of USD126,027 was written off during the year.

(iii) International Financial Services Limited

| | Volume | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| ***Transactions during the year:*** | | |
| Professional fees | **18,257** | 15,833 |

The above services from International Financial Services Limited are provided on commercial terms and conditions.

(iv) Payable to share holder

| | Balance | |
|---|---|---|
| | **2014** | 2013 |
| | **USD** | USD |
| At beginning and end of the year | **13,831** | 13,831 |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2014**

**12. 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.

**13. Financial instruments**

(a) Fair values

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

(b) Currency profile

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

| | **31 March 2014** | | 31 March 2013 | |
|---|---|---|---|---|
| | **Financial assets** | **Financial liabilities** | Financial assets | Financial liabilities |
| | **USD** | **USD** | USD | USD |
| United States Dollars | **14,827,489** | **19,682** | 14,954,681 | 20,015 |

**14. Financial risk management**

The Company's investments activities expose it to the various types of risks which are associated with the financial instruments and market in which it invests.

(a) 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.

## 14. Financial risk management (continued)

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

Financial assets, which potentially expose the Company to credit risk, comprises mainly of advances to subsidiary companies and bank balance.

The Company's bank deposit is with reputable bank with high quality external credit ratings, hence minimising its credit risk on cash and cash equivalents.

(c) Interest rate risk

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

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

(d) Liquidity risk

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.

(e) 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.

(f) 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.

## 15. Events after the reporting period

There have been no material events since the end of the reporting period, which require disclosure or adjustment to the 31 March 2014 financial statements.

*Director's Report and*
*Audited Financial Statements*

# ***Certus Investment and Trading (S) Private Limited***

(Co. Reg. No. 200414622K)

*For the year ended 31 March 2014*

**General Information**

**Director**

Maya Devi D/O S Renganathan

**Secretary**

Ng Chee Tiong

**Independent Auditor**

Sashi Kala Devi Associates

**Contents**

**Director's Report**

The director is pleased to present its report to the members together with the audited financial statements of Certus Investment and Trading (S) Private Limited (the "Company") for the financial year ended on 31 March 2014.

**1. DIRECTOR**

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

Maya Devi D/o S Renganathan

**2. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects 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. DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES**

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

**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 year, no option to take up unissued shares of the Company was granted.

**6. OPTIONS EXERCISED**

During the financial year, 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 year, there were no unissued shares of the Company under option.

**8. INDEPENDENT AUDITOR**

The independent auditor, Sashi Kala Devi Associate, has expressed its willingness to accept reappointment as auditor.

Maya Devi D/O S Renganathan
Director
Singapore
11 April 2014

**Statement by Director**

I, Maya Devi D/O S Renganathan, being the sole-director of Certus Investment and Trading (S) Private Limited, do hereby state that, in the opinion of the director,

(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 sate of affairs of the Company as at 31 March 2014 and the results of the business, changes is equity and cash flows of the Company for the year ended on that date; 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.

Maya Devi D/O S Renganathan
Director

Singapore
11 April 2014

**Independent Auditor's Report**
**to the member of Certus Investment and Trading (S) Private Limited**
(Co. Reg. No: 200414622K)

**Report on the Financial Statements**

We have audited the accompanying financial statements of Certus Investment and Trading (S) Private Limited (the "Company"), which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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, Chapter 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 unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheet 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 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 2014 and the results, changes in equity and cash flows of the Company for the year 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 provision of the Act.

Sashi Kala Devi Associates
Public Accountants and
Chartered Accountants

Singapore
11 April 2014

**Statement of Financial Position as at 31 March 2014**

| | Note | 2014 US$ | 2013 US$ |
|---|---|---|---|
| **Non-current Assets** | | | |
| Plant and equipment | 3 | -- | -- |
| | | -- | -- |
| **Current assets** | | | |
| Trade receivables | 4 | 107,439 | 962,439 |
| Other receivables | 5 | 4,869,860 | 6,205,080 |
| Amount due from ultimate holding company | 6 | 16,050 | 16,050 |
| Cash and cash equivalents | 7 | 19,052 | 14,106 |
| | | 5,012,401 | 7,197,675 |
| **Currents Liabilities** | | | |
| Accrued liabilities | | 10,779 | 7,000 |
| Amount due to ultimate holding Company | 6 | -- | 2,155,758 |
| Amount due to immediate holding company | 8 | 3,516,898 | 3,526,375 |
| | | 3,527,677 | 5,689,133 |
| **Net current assets** | | 1,484,724 | 1,508,542 |
| **Net assets** | | 1,484,724 | 1,508,542 |
| **Equity attributable to equity holderof the Company** | | | |
| Share capital | 9 | 1,875,340 | 1,875,340 |
| Accumulated losses | | (390,616) | (366,798) |
| **Total equity** | | 1,484,724 | 1,508,542 |

*The accompanying notes form an integral part of the financial statement*

**Statement of Comprehensive Income for the financial year ended 31 March 2014**

| | Note | 2014<br>US$ | 2013<br>US$ |
|---|---|---|---|
| **Revenue** | 10 | -- | 3,920,650 |
| Cost of revenue | | -- | (3,917,500) |
| Gross profit | | -- | 3,150 |
| Other operating income | 11 | 41,650 | 39,900 |
| Administrative expenses | | (23,906) | (13,491) |
| Finance cost | 12 | (32,173) | (30,578) |
| **Loss before tax** | 13 | (14,429) | (1,019) |
| Income tax expense | 14 | (9,389) | -- |
| **Loss after tax** | | (23,818) | (1,019) |
| Other comprehensive income | | -- | -- |
| **Total comprehensive loss for the year** | | (23,818) | (1,019) |

*The accompanying notes form an integral part of the financial statements.*

**Statement of Changes in Equity for the financial year ended 31 March 2014**

| | Share capital US$ | Accumulated losses US$ | Total US$ |
|---|---|---|---|
| Balance at 1 January 2012 | 1,875,340 | (365,779) | 1,509,561 |
| Total comprehensive loss for the year | -- | (1,019) | (1,019) |
| Balance at 31 March 2013 | 1,875,340 | (366,798) | 1,508,542 |
| Total comprehensive loss for the year | -- | (23,818) | (23,818) |
| Balance at 31 March 2014 | 1,875,340 | (390,616) | 1,484,724 |

*The accompanying notes form an integral part of the financial statements.*

**Statement of Cash Flows for the financial year ended 31 March 2014**

| | **2014** US$ | **2013** US$ |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss before tax | (14,429) | (1,019) |
| Adjustment for: | | |
| Interest income | (41,650) | (39,900) |
| Interest expense | 32,173 | 30,578 |
| **Operating loss before working capital changes** | (23,906) | (10,341) |
| Increase in trade and other receivables | 2,190,220 | 478,951 |
| Increase in accrued liabilities | 3,779 | -- |
| **Cash generated from operations** | 2,170,093 | 468,610 |
| Interest received | 41,650 | 39,900 |
| Interest paid | (32,173) | (30,578) |
| With holding tax paid | (9,389) | -- |
| **Net cash flows from operating activities** | 2,170,181 | 477,932 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Increase in amount due to ultimate holding company | (2,155,758) | (603,474) |
| (Decrease) / increase in amount due to immediate holding company | (9,477) | 30,578 |
| Loan to third party | -- | (10,000,000) |
| Proceeds from loan repayment from third party | -- | 10,000,000 |
| Loan from immediate holding company | -- | 10,000,000 |
| Repayment of loan to immediate holding company | -- | (10,000,000) |
| **Net cash flows used in financing activities** | (2,165,235) | (572,896) |
| Net increase/(decrease) in cash and cash equivalents | 4,946 | (94,964) |
| Cash and cash equivalents at beginning of year | 14,106 | 109,070 |
| **Cash and cash equivalents at end of year (Note 7)** | 19,052 | 14,106 |

*The accompanying notes form an integral part of the financial statements.*

**Notes to the Financial Statements 31 March 2014**

These notes form 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 and its immediate holding company is Certus Investment and Trading Limited incorporated in Mauritius and ultimate holding company is Tamilnadu Petroproducts Limited incorporated in India.

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

The principal activities of the Company are carrying on business of sales of industrial chemical.

## 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 Singapore Dollar (USD or US$) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Company has adopted all applicable new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not result in any changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

*Standards issued but not yet effective*

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

| | Effective date (Annual periods beginning on or after) |
|---|---|
| Amendment to FRS 32 *Offsetting Financial Assets And Financial Liabilities* | *1 January 2014* |
| Improvement to FRSs 2014: | |
| - Amendment to FRS 16 *Property, plant and Equipment* | 1 July 2014 |
| - Amendment to FRS 24 *Related party Disclosures* | 1 July 2014 |

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b)** ***Significant accounting estimates and judgements***

The preparation of the Company's financial statements requires management to make judgements, estimates and assumption that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that 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 assumption concerning the future and other key sources of estimation uncertainty at the end of the 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 recognized 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 is 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 recognized in profit or loss.

(d) ***Plant and equipment***

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The 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 property, plant and equipment is recognized 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.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognize such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection in performed, its cost is recognized 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 recognized in profit or loss as incurred.

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

| | | |
|---|---|---|
| Computers | - | 3 Years |

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***(d) Plant and equipment(continued)***

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 carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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 derecognized 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 derecognized.

(e) ***Financial Assets***

***Initial recognition and measurement***

Financial assets are recognized 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 recognized initially, an entity shall measured it at its fair value, plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial asset.

***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. 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 as 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 a fair value. Any gains or losses arising from changes in fair value of the financial assets are recognized in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences and interest income.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(e)* ***Financial Assets***

***Subsequent measurement***

(ii) *Held-to-maturity investment*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified a as held-to-maturity when the Company has the positive intention and ability to hold the investment 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 recognized in profit or loss when the held-to-maturity investments are derecognized or impaired, and through the amortization 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 recognized in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loan and receivables comprise cash and cash equivalents, other receivables and amount due from ultimate holding company.

(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 a fair value through profit or loss.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses arising from changes in the fair value of the financial asset are recognized 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 recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized.

***De-recognition***

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

***Regular way purchase and sale of a financial assets***

All regular way purchases and sales or financial assets are recognized or derecognized 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 sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(f) ***Impairment of financial assets***

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(f)* ***Impairment of financial assets(continued)***

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

If there is objective evidence that an impairment loss on finance 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 recognized in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount 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 been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtors 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 recognized, the previously recognized 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 recognized 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 recognized 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 loss includes (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 with indication 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***(f) Impairment of financial assets (continued)***

*(iii) Available-for-sale financial assets (continued)*

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

(g) ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that a non-financial asset, may 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 generated 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.

(h) ***Financial liabilities***

***Initial recognition and measurement***

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

When a financial liability recognised initially, an entity shall measure it at its fair value plus, and in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

**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 includes financial liabilities held for trading. 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(h) Financial liabilities (continued)*

(ii) *Financial liabilities at amortised cost*

After initial recognition, other financial liabilities that are not carried at fair value through profit or loss 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.

***De-recognition***

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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

*(i)* ***Offsetting financial instruments***

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position, when and only when, there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously.

(j) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank.

(k) ***Other payables***

Other payables are non-interest bearing and have an average term of six months.

(l) ***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 resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

***(m) 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 terms of payment and excluding taxes.The following specific recognition criteria must also be met before revenue is recognised:

(i) *Sales of good*s

Revenue from sale is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(m) Revenue (continued)*

(ii) *Interest income*

Interest income is recognised using the effective interest method.

***(n) 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 income 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 tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences.

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

Deferred tax assets and liabilities are measured 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 loss is recognized outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction 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 taxes relate to the same taxable entity and the same taxation authority.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(o) ***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 Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies.:

(i) The entity and the Company are members of the same groups (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).
(viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

**3. PLANT AND EQUIPMENT**

| | **Computers** US$ |
|---|---|
| **Cost:** | |
| At 1 January 2012, 31 March 2013 and 31 March 2014 | 1,409 |
| **Accumulated depreciation:** | |
| At 1 January 2012, 31 March 2013 and 31 March 2014 | 1,409 |
| **Net carrying amount :** | |
| At 31 March 2013 and 31 March 2014 | -- |

**4. TRADE RECEIVABLES**

| | **2014** US$ | **2013** US$ |
|---|---|---|
| Trade receivables | 107,439 | 962,439 |

Trade receivables are non-interest bearing and are generally settled as per terms mutually agreed between the parties. Trade receivables are recognised at their original invoice amounts which represents their fair values on initial recognition.

The Company assesses at the end of each reporting period whether there is objective evidence that trade and other receivables are impaired.

**4. Trade Receivables (continued)**

However, no allowance for impairment is made, as there is no objective evidence that the Company will not be able to collect all amounts due according to the terms of the receivables.

*Receivables that are past due but not impaired*

The Company has trade receivables amounting to US$ 107,439 (2013: US$962,379) 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 follows:

| | | |
|---|---|---|
| Trade receivables past due but not impaired: | | |
| More than 120 days | 107,439 | 962,439 |

## 5. OTHER RECEIVABLES

| | | |
|---|---|---|
| Short term advances | 4,869,860 | 6,165,180 |
| Interest receivables from a third party | -- | 39,900 |
| | 4,869,860 | 6,205,080 |

At the end of the reporting period, the short term advances amounting to US$ 4,869,860 (2013:US$ 6,095,180) to a third party is subjected to interest rate of 0.5 % per annum with effect from 1 April 2014 and to be repayable on demand and is to be settled in cash.

During the financial year, the company has provided a loan interest bearing of 0.42 % per annum of US$10 million to a third party and this amount was fully paid during the year.

## 6. AMOUNT DUE FROM / DUE TO ULTIMATE HOLDING COMPANY

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

During the financial year, the immediately holding company has provided a loan interest bearing of 0.32 % per annum of US$10 million and this amount was fully paid during the year.

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents denominated in foreign currency is a follows:

| | **2014** **US$** | **2013** **US$** |
|---|---|---|
| Singapore dollar | 6,585 | 9,818 |

## 8. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY

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

**9. SHARE CAPITAL**

| | 2014 | | 2013 | |
|---|---|---|---|---|
| | Number of shares | US$ | Number of shares | US$ |
| Issued and fully paid: | | | | |
| Ordinary shares | 1,916,642 | 1,875,340 | 1,916,642 | 1,875,340 |

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

**10. REVENUE**

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

**11. OTHER OPERATING INCOME**

| | 2014 | 2013 |
|---|---|---|
| | US$ | US$ |
| Interest income on: | | |
| Loan to a third party | 41,650 | 39,900 |

**12. FINANCE COSTS**

| | | |
|---|---|---|
| Interest income on: | | |
| Loan from immediate holding company | 32,173 | 30,578 |

**13. LOSS BEFORE TAX**

The loss before tax is arrived at after charging:

| | | |
|---|---|---|
| Purchases | -- | 3,917,500 |

**14. INCOME TAX EXPENSE**

(i) *Major components of income tax credit*

The major components of income tax expense for the years ended 31 March 2014 and 2013 are:

| | | |
|---|---|---|
| Statement of comprehensive income: | | |
| Withholding tax expense | 9,389 | -- |

(ii) *Relationship between tax credit and accounting loss*

A reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 March 2014 and 2013 are as follows:

| | | |
|---|---|---|
| Loss before tax | (14,429) | (1,019) |
| Tax benefit on loss before tax at 17 % (2013:17%) | (2,453) | (173) |
| Adjustments: | | |
| Non-deductible expenses | 5,469 | 5,198 |
| Tax exemptions | (1,845) | (2,855) |
| Utilisation of deferred tax assets previously not recognized | (1,171) | (2,170) |
| Withholding tax expense | 9,389 | -- |
| Total tax expense | 9,389 | -- |

The Company has remaining unutilized tax losses and capital allowance of approximately US$164,800 (2013:US$ 171,689) that are available for offset against future taxable profits of the Company in which the losses arose for which no deferred tax asset is recognized due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement with the Inland Revenue Authority of Singapore.

**15. RELATED PARTY DISCLOSURES**

In additions to those related party information disclosed elsewhere in the financial settlements, the following significant transactions between the Company and related parties that took place at terms agreed between the parties during the financial year.

| | 2014<br>US$ | 2013<br>US$ |
|---|---|---|
| *Significant related party transactions* | | |
| Ultimate Holding Company | | |
| Purchase of goods | -- | 3,917,500 |
| Immediate Holding company | | |
| Interest expense on loan | 32,173 | -- |
| Loan from | 10,000,000 | 10,000,000 |

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Company. The Company does not have any written financial risk management polices and guidelines and there has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

(i) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company exposure to interest rate risk arises primarily from loan and borrowing, and advance to a third party.

The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts as well as by rolling over its borrowings on a short-term basis.

***Sensitivity analysis for interest rate risk***

No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's profit or loss and equity arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(ii) *Foreign currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

As at the end of reporting period, the Company's foreign currency exposures are insignificant.

(iii) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and short-term deposits and derivatives), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

(iv) *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 possible mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a level of cash to meet the obligation and commitments due to ensure  cash efficiency where by maximization of cash flow position can be achieved.

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***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 payments.

| | Total | Within one year | Within two To five years |
|---|---|---|---|
| | US$ | US$ | US$ |
| **2014** | | | |
| *Financial assets:* | | | |
| Trade receivables | 107,439 | 107,439 | -- |
| Other receivables | 4,869,860 | 4,869,860 | -- |
| Other due from ultimate holding company | 16,050 | 16,050 | -- |
| Cash and cash equivalent | 19,052 | 19,052 | -- |
| | 5,012,401 | 5,012,401 | -- |
| *Financial Liabilities:* | | | |
| Accrued liabilities | 10,779 | 10,779 | -- |
| Amount due to ultimate holding company | -- | -- | -- |
| Amount due to immediate holding company | 3,516,898 | 3,516,898 | -- |
| | 3,527,677 | 3,527,677 | -- |

| | Total | Within one year | Within two to five years |
|---|---|---|---|
| | US$ | US$ | US$ |
| **2013** | | | |
| *Financial assets:* | | | |
| Trade receivables | 962,439 | 962,439 | -- |
| Other receivables | 6,205,080 | 6,205,080 | -- |
| Amount due from ultimate holding company | 16,050 | 16,050 | -- |
| Cash and cash equivalents | 14,106 | 14,106 | -- |
| | 7,197,675 | 7,197,675 | -- |
| *Financial liabilities:* | | | |
| Accrued liabilities | 7,000 | 7,000 | -- |
| Amount due to ultimate holding company | 2,155,758 | 2,155,758 | -- |
| Amount due to immediate holding company | 3,526,375 | 3,526,375 | -- |
| | 5,689,133 | 5,689,133 | -- |

## 17. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

| | 2014<br>US$ | 2013<br>US$ |
|---|---|---|
| *Loans and receivables* | | |
| Trade receivable | 107,439 | 962,439 |
| Other receivables | 4,869,860 | 6,205,080 |
| Amount due from ultimate holding company | 16,050 | 16,050 |
| Cash and cash equivalents | 19,052 | 14,106 |
| | 5,012,401 | 7,197,675 |
| *Financial liabilities at amortised cost* | | |
| Accrued liabilities | 10,779 | 7,000 |
| Amount due to ultimate holding company | -- | 2,155,758 |
| Amount due to immediate holding company | 3,516,898 | 3,526,375 |
| | 3,527,677 | 5,689,133 |

## 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement data.

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 re-priced to market interest rates on or near the end of the reporting period.

The Company does not anticipated 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.

## 19. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintain a strong credit rating and healthy capital ratios in order to support its business and maximize 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 dividend payment to shareholders, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2014 and 31 March 2013.

The Company is not subjected to externally imposed capital requirements.

## 20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the period ended 31 March 2014 were authorized for issue in accordance with a resolution of the director on 11 April 2014.

*Director's Report and*
*Audited Financial Statements*

**Proteus Petrochemicals Private Limited**
*(Co. Reg. No. 200606866R)*

*31 March 2014*

**General Information**

**Director**

Ashwin Chidambaram Muthiah

**Secretary**

Ng Chee Tiong

**Independent Auditor**

Sashi Kala Devi Associates

**Contents**

**Director's Report**

The director is pleased to present its report to the member together with the audited financial statements of Proteus Petrochemicals Private Limited for the financial year ended 31 March 2014.

**1. DIRECTOR**

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

Ashwin Chidambaram Muthiah

**2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

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

**3. DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES**

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

**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 year, no option to take up unissued shares of the Company was granted.

**6. OPTION EXERCISED**

During the financial year, 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 year, there were no unissued shares of the Company under option.

**Directors' Report – continued**

8. **INDEPENDENT AUDITOR**

The independent auditor, Sashi Kala Devi Associates has expressed its willingness to accept reappointment as auditor.

Ashwin Chidambaram Muthiah
Director

Singapore
3 April 2014

**Statement by Director**

I, Ashwin Chidambaram Muthiah, being the sole director of Proteus Petrochemicals 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 flow 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 2014 and the results of the business, changes in equity and cash flows of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable ground to believe that the company would be able to pay its debts as and when they fall due as the immediate holding company has undertaken to provide financial support to the company to meet its liabilities.

Ashwin Chidambaram Muthiah
Director

Singapore
3 April 2014

**SASHI KALA DEVI ASSOCIATES**
**Chartered Accountants of Singapore**
**Independent Auditor's Report**
**to the members of Proteus Petrochemicals Private Limited**
(Co. Reg. No. 200606866R)

***Report on the Financial Statements***

We have audited the accompanying financial statements of Proteus Petrochemicals Private Limited Company (the "Company"), which comprise the statement of financial position as at 31 March 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year 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, Chapter 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 unauthorized use or disposition; and transactions are properly authorized 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 and 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 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 qualified audit opinion.

*Basis for Qualified Opinion*

We are unable to obtain an independent confirmation from the other payables amounting to US$597,665 as stated in Note 7 to the financial statements and there were no alternative audit procedure that we could carry out to satisfy ourselves as to the completeness and validity as recorded in the financial statements.

*Qualified Opinion*

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and the results, changes in equity and cash flows of the Company for the year ended on that date.

*Emphasis of matters*

We draw attention to Note 1 to the financial statements. The Company incurred a net loss of US$6,758 during the financial year ended 31 March 2014, and as at that date, the Company's total and current liabilities exceeded its total and current assets by US$4,807,658 and US$6,807,786 respectively. The validity of the going concern assumption on which the financial statements are prepared depends on the continual financial support of the immediate holding company. In the event that there is no such financial support, the going concern basis would be invalid and provision would have to be made for any loss on realization of the Company's assets and further costs which might arise.

***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
Chartered Accountants

Singapore
3 April 2014

**Statement of Financial Position as at 31 March 2014**

| | Note | 2014 | 2013 | 01.04.2012 |
|---|---|---|---|---|
| | | US$ | US$ | US$ |
| **Non-current assets** | | | | |
| Plant and equipment | 4 | 128 | 907 | 10,852 |
| Prepayment | 5 | 2,000,000 | 2,000,000 | 2,000,000 |
| | | 2,000,128 | 2,000,907 | 2,010,852 |
| **Current assets** | | | | |
| Prepayment | | -- | 671 | 229,547 |
| Amount due from a related party | | -- | -- | 592 |
| Cash and cash equivalents | 6 | 637,793 | 644,018 | 468,998 |
| | | 637,793 | 644,689 | 699,137 |
| **Current liabilities** | | | | |
| Other payables | 7 | 1,520,579 | 1,521,496 | 1,535,703 |
| Amount due to ultimate holding Company | | -- | -- | 21,897 |
| Amount due to immediate holding company | 8 | 5,925,000 | 5,925,000 | 5,925,000 |
| | | 7,445,579 | 7,446,496 | 7,482,600 |
| **Net Current liabilities** | | (6,807,786) | (6,801,807) | (6,783,463) |
| **Net liabilities** | | (4,807,658) | (4,800,900) | (4,772,611) |
| **Equity attributable to equity holder of the Company** | | | | |
| Share capital | 9 | 300,000 | 300,000 | 300,000 |
| Accumulated losses | | (5,107,658) | (5,100,900) | (5,072,611) |
| **Equity deficits** | | (4,807,658) | (4,800,900) | (4,772,611) |

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

**Statement of Comprehensive Income for the financial year ended 31 March 2014**

| | Note | 2014<br>US$ | 2013<br>US$ |
|---|---|---|---|
| **Revenue** | | | |
| Cost of sales | | -- | -- |
| Gross profit | | -- | -- |
| Other operating income | 10 | 6,712 | 2,331 |
| Administrative expenses | | (14,339) | (25,009) |
| Other credits / (Charges) | 11 | 869 | (5,611) |
| **Loss before tax** | 12 | (6,758) | (28,289) |
| Income tax expense | 13 | -- | -- |
| **Loss for the year** | | (6,758) | (28,289) |
| Other comprehensive income | | -- | -- |
| **Total comprehensive loss for the year** | | (6,758) | (28,289) |

**Statement of Changes in Equity**
**Year ended 31 March 2014**

| | Share Capital<br>US$ | Accumulated Losses<br>US$ | Total<br>US$ |
|---|---|---|---|
| Balance at 1 April 2012 | 300,000 | (5,072,611) | (4,772,611) |
| Total comprehensive loss for the year | -- | (28,289) | (28,289) |
| Balance at 31 March 2013 | 300,000 | (5,100,900) | (4,800,900) |
| Total comprehensive loss for the year | -- | (6,758) | (6,758) |
| Balance at 31 March 2014 | 300,000 | (5,107,658) | (4,807,658) |

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

*Statement of* **Cash Flow for the financial year ended 31 March 2014**

| | 2014<br>US$ | 2013<br>US$ |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Loss before tax | (6,758) | (28,289) |
| Adjustments for: | | |
| Depreciation | 779 | 10,344 |
| Interest income | (6,712) | (2,331) |
| **Operating loss before working capital changes** | (12,691) | (20,276) |
| Decrease in other receivables | 671 | 228,876 |
| Decrease in other payables | (917) | (14,207) |
| **Cash (used in)/generated from operations** | (12,937) | 194,393 |
| Income tax paid | -- | -- |
| **Net cash flows (used in)/from operating activities** | (12,937) | 194,393 |
| **CASH FLOWS FROM INVESTING ACTIVITES** | | |
| Purchase of plant and equipment | -- | (399) |
| Interest received | 6,712 | 2,331 |
| **Net cash flows from investing activities** | 6,712 | 1,932 |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Decrease in amount due from a related company | -- | 592 |
| Decrease in amount due to an ultimate holding company | -- | (21,897) |
| **Net cash flows used in financing activities** | -- | (21,305) |
| Net (dcrease)/increase in cash and cash equivalents | (6,225) | 175,020 |
| Cash and cash equivalents at beginning of year | 644,018 | 468,998 |
| **Cash and cash equivalents at end of year (Note 6)** | 637,793 | 644,018 |

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

**Note to the Financial Statements – 31 March 2014**

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

**1. FUNDAMENTAL ACCOUNTING CONCEPT**

The Company incurred a net loss of $6,758 during the financial year ended 31 March 2014 and as at that date, the Company's total and current liabilities exceeded total and current assets by US$4,807,658 and U$6,807,786 respectively. These factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern depends on the immediate holding company undertaking to provide continuing financial support to enable the Company to continue as a going concern.

If the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realized other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

**2. CORPORATE INFORMATION**

The Company is a private company limited by shares incorporated and domiciled in Singapore. Its immediate holding company is Certus Investment & Trading Limited, incorporated in the Republic of Mauritius and its ultimate holding company is Tamilnadu Petroproducts Limited, incorporated in India.

The registered office of the Company is located at 31 Cantonment Road, Singapore 089747 and its principal place of business is located at 8, Temasek Boulevard, # 17-02/03, Suntech Tower 3, Singapore 038988.

The principal activities of the Company are those of manufacturing of petrochemical products and the company is currently exploring plan to establish a normal paraffin plant in another location. The company has not commenced operation during the current financial year.

**3. 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 the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in United States Dollar (USD or US$) and all values are rounded to the nearest one-dollar unless otherwise stated.

**3. Summary of significant accounting policies (continued)**

*(a) Basis of preparation (continued)*

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Company have adopted all applicable new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not result in any changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

***Standards issued but not yet effective***

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

| | Effective date (Annual periods beginning on or after) |
|---|---|
| Amendment to FRS 32 *Offsetting Financial Assets and Financial Liabilities* | 1 January 2014 |
| Improvements to FRSs 2014: | |
| - Amendment to FRS 16 *Property, Plant and Equipment* | 1 July 2014 |
| - Amendment to FRS 19 *Defined Benefit Plans: Employee Contributions* | 1 July 2014 |
| - Amendment to FRS 24 *Related Party Disclosures* | 1 July 2014 |

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 judgement***

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

- *Key sources of estimation uncertainty*

  The were no material key assumption concerning the future and other key sources of estimation uncertainty at the end of the 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 recognized in the financial statements.

**3. Summary of significant accounting policies (continued)**

*(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 USD.

*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 measured.

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

*(d)* ***Plant and equipment***

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the plant and equipment that are directly attributable to the acquisition of a qualifying plant and equipment. The cost of an item of plant and equipment is recognized 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.

When significant parts of plant and equipment are required to be replaced in intervals, the Company recognize such parts as individual assets with specific useful lives and depreciation, respectively. Like wise, when a major inspection is performed, its cost is recognized 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 recognized in profit or loss as incurred.

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

| | | |
|---|---|---|
| Office equipment | - | 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 carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

**3. Summary of significant accounting policies (continued)**

An item of plant and equipment is derecognized 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.

*(e)* ***Financials assets***

***Initial recognition and measurement***

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

When financial assets are recognized initially, an entity shall measure it at its fair value, plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial assets.

***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. Financial assets are 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 as 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 recognized on profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences and interest.

(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 recognized in profit or loss when the held-to-maturity investments are derecognized or impaired, and through the amortisation process.

**3. Summary of significant accounting policies (continued)**

(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 recognized in profit or loss when the loans and receivables are derecognized or impaired, and through the amortisation process.

*Loan and receivables comprise cash and cash equivalents and other receivables.*

(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 arising from changes in the fair value of the financial assets are recognized 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 in derecognised.

***De-recognition***

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

***Regular way purchase or sale of a financial asset***

All regular way purchases and sales of financial assets are recognised or derecognized 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.

**3. Summary of significant accounting policies (continued)**

***(f) Impairment of financial assets***

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has 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 asset is reduced directly or if an amount was charged to the allowance account, the amount 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 los on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss in 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.

**3. Summary of significant accounting policies (continued)**

*(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 declined 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 asset is impaired, an amount comprising the difference between its cost (net of any principle 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 instrument are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

*(g)* ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that a non-financial asset, may be impaired. If any such an indication exists, or when an 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 ("CGU") 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.

*(h)* ***Financial liabilities***

***Initial recognition and measurement***

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

When a financial liability is recognised initially, an entity shall measure it at its fair value, plus in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of financial liability.

**3. Summary of significant accounting policies (continued)**

***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. 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, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognized, 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 exiting 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.

*(i)* ***Offsetting financial instruments***

Financial assets and liabilities are offset and the not amount is presented in the statement of financial position, when and only when, there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realised the assets and settle the liabilities simultaneously.

*(j)* ***Cash and cash equivalents***

Cash and cash equivalents comprise cash on hand and at bank.

*(k)* ***Other payables***

Other payables are non-interest bearing have an average term of six months.

*(l)* ***Provisions***

Provision 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 resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

**3. Summary of significant accounting policies (continued)**

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

*(m)* ***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 funds 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.

*(n)* ***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 terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognised:

*(i) Interest Income*

Interest income is recognised using the effective interest method.

*(o)* ***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.

**3. Summary of significant accounting policies (continued)**

*(p)* ***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 substantively enacted at the end of the reporting period.

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

Deferred tax 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 for unused tax credits and unused tax losses can be utilized.

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

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

Deferred tax relating to items recognided outside profit or los is recognised outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction 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 taxes relate to the same taxable entity and the same taxation authority.

**3. Summary of significant accounting policies (continued)**

(q) ***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 Company if that person:
- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to 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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

**4. PLANT AND EQUIPMENT**

| | **Office Equipment US$** |
|---|---|
| **Cost:** | |
| At 1 April 2012 | 45,883 |
| Additions | 399 |
| At 31 March 2013 and 31 March 2014 | 46,282 |
| | |
| **Accumulated depreciation:** | |
| At 1 January 2012 | 35,031 |
| Charge for the year | 10,344 |
| At 31 March 2013 and 1 April 2013 | 45,375 |
| Charge for the year | 779 |
| At 31 March 2014 | 46,154 |
| | |
| **Net carrying amount:** | |
| At 31 March 2013 | 907 |
| | |
| At 31 March 2014 | 128 |

## 5. PREPAYMENT

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

As of 31 March 2012, the Company made a total prepayment of USD 2,000,000 to UOP. As of that date, the project in Singapore was terminated and UOP had agreed to maintain the engineering design specification until 31 December 2016 (the “Project Suspension Period”) while the company continue to look for another location. The engineering design specification services will be resumed if the project is reactivated before the end of the project suspension period.

However, in the event that at the end of the project suspension period, the Company is unable to re-activate the project, the prepayment would be expensed off to the profit and loss amount.

As at the date of this report, the director of the Company had represented that he is currently looking for another location to build the NP plant

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents denominated in foreign currency at 31 March is follows:.

| | **2014** | **2013** |
|---|---|---|
| | US$ | US$ |
| Singapore Dollar | 4,885 | 258,372 |

## 7. OTHER RECEIVABLES

| | | |
|---|---|---|
| Receipt from third party * | 900,000 | 900,000 |
| Sundry payables ** | 616,441 | 618,481 |
| Accrued liabilities | 4,138 | 3,015 |
| | 1,520,579 | 1,521,496 |

* Included in other payable is US$900,000 (2013: US$900,000) received from a third party who was a partner (the “Project Partner”) to the NP Plant project. The amount was received pursuant to the final settlement agreement between the Company and the Project Partner when the NP plant project in Singapore was terminated. This represents 45 % of the prepayment made to UOP for engineering design specification services in relation to the Company’s project to build a Normal Paraffin Complex (“NP plant”) at Jurong Island in Singapore (Note 5).

Pursuant to the settlement agreement, in the event that the project is reactivated in another location, and the Project Partner is not the partner in the reactivated project, the Company has to repay the US$900,000 to the Project Partner.

** Included in sundry payables in US$597,665, which confirmations to ascertain the completeness and existence are not been able to carry out due to the management has disputes with these amounts and do not agreed on circulation to be done.

Other payables denominated in foreign currencies at 31 March is as follows:

| | **2014** US$ | **2013** US$ |
|---|---|---|
| Singapore Dollar | 154,293 | 155,211 |

**8. AMOUNT DUE TO IMMEDIATE HOLDING COMPANY**

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

**9. SHARE CAPITAL**

| | **2014** | | **2013** | |
|---|---|---|---|---|
| | Number of shares | US$ | Number of shares | US$ |
| Issued and fully paid: | | | | |
| Ordinary shares | 461,800 | 300,000 | 461,800 | 300,000 |

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

**10. OTHER OPERATING INCOME**

| | | |
|---|---|---|
| Interest income | 6,712 | 2,331 |

**11. OTHER CREDITS / (CHARGES)**

| | | |
|---|---|---|
| Reaslised foreign exchanger (loss) /gain | (895) | 4,111 |
| Unrealised foreign exchanger gain / (loss) | 1,764 | (9,722) |
| | 869 | (5,611) |

**12. LOSS BEFORE TAX**

The loss before tax is arrived at after charging:

| | | |
|---|---|---|
| Professional Fee | 1,893 | 2,192 |

**13. INCOME TAX EXPENSE**

(i) *Major components of income tax expense*

The major components of income tax expense for the years ended 31 March 2014 and 2013 are:

Statement of comprehensive income:

| | **2014** US$ | **2013** US$ |
|---|---|---|
| Current tax | -- | -- |

**13. INCOME TAX EXPENSE(continued)**

(ii) *Relationship between tax expense and accounting loss*

The reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rate for the years ended 31 March 2014 and 2013 are as follows:

| | | |
|---|---|---|
| Loss before tax | (6,758) | (28,289) |
| Tax benefit on loss before tax | | |
| At 17 % (2013:17%) | (1,149) | (4,809) |
| Adjustments: | | |
| Income not subject to taxation | (1,289) | (1,095) |
| Non-deductible expenses | 2,438 | 5,904 |
| Total tax expense | -- | - |
| | 2,468 | 1,312,846 |

**14. EMPLOYEE BENEFITS**

| | | |
|---|---|---|
| Staff salaries | 530 | 2,124 |
| Central Provident Fund contributions | 102 | 344 |
| | 632 | 2,468 |

**15. RELATED PARTY DISCLOSURES**

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties that took place at terms agreed between the parties during the financial year:

(i) *Significant related party transactions*

| | | |
|---|---|---|
| Ultimate holding company | | |
| - Repayment to | -- | 21,897 |
| Related party | | |
| - Loan to | 625,000 | -- |
| - Interest expenses | 6,712 | -- |
| - Repayment from | (631,712) | (193) |
| - Sales return from | - | (399) |

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk and liquidity risk. The Company's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Company. The Company does not have any written financial risk management policies and guidelines and there has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

The following sections provide detail regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) ***Foreign currency risk***

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Company is exposed to movements in foreign currency exchange rates arising from cash and cash equivalent and payables, primarily with respect to Singapore (SGD). However, the Company does not use any financial derivatives such as foreign currency forward contracts, foreign currency options or swaps or hedging purposes.

***Sensitivity analysis for foreign currency risk***

The following table demonstrates that sensitivity of the Company's loss before tax to a reasonably possible change in the SGD, with all other variables held constant.

| | **Loss before tax** | |
|---|---|---|
| | **2014** | **2013** |
| | US$ | US$ |
| **SGD** | | |
| - strengthened 1 % (2013: 1%) | 2,229 | 4,474 |
| - weakened 1 % (2013: 1%) | (2,229) | (4,474) |

(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 possible mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a level of cash to meet the obligations and commitments due and to ensure cash efficiency whereby maximization of cash flow position can be achieved.

The Company's liquidity risks management policy is to monitor its working capital projections, taking into account the available banking and other borrowing facilities of the Company, and ensuring that the Company has adequate working capital to meet obligations and commitments due.

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

***(ii) Liquidity risk (continued)***

***Analysis of financial instruments by remaining contractual maturities***

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

| | Total US$ | Within one year US$ | Within two To five year US$ |
|---|---|---|---|
| **2014** | | | |
| *Financial assets:* | | | |
| Cash and cash equivalents | 637,793 | 637,793 | -- |
| | 637,793 | 637,793 | -- |
| *Financial assets:* | | | |
| Other payables | 1,520,579 | 1,520,579 | -- |
| Amount due to immediate Holding company | 5,925,000 | 5,925,000 | -- |
| | 7,445,579 | 7,445,579 | -- |

| | Total US$ | Within one year US$ | Within two To five year US$ |
|---|---|---|---|
| **2013** | | | |
| *Financial assets:* | | | |
| Other receivables | 671 | 671 | -- |
| Cash and cash equivalents | 644,018 | 644,018 | -- |
| | 644,689 | 644,689 | -- |
| *Financial liabilities:* | | | |
| Other payables | 1,521,496 | 1,521,496 | -- |
| Amounts due to immediate holding company | 5,925,000 | 5,925,000 | -- |
| | 7,446,496 | 7,446,496 | -- |

## 17. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summaries the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

| | 2014 | 2013 |
|---|---|---|
| | US$ | US$ |
| *Financial liabilities at amortised cost* | | |
| Other payables | 1,520,579 | 1,521,496 |
| Amount due to immediate holding company | 5,925,000 | 5,925,000 |
| | 7,445,579 | 7,446,496 |

## 18. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial instrument is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, due to their sort-term nature.

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.

## 19. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize 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 year/period ended 31 March 2014 and 31 March 2013. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company is not subjected to externally imposed capital requirements.

**19. CAPITAL MANAGEMENT (contined)**

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

| | 2014<br>US$ | 2013<br>US$ |
|---|---|---|
| Other payables | 1,520,579 | 1,521,496 |
| Amount due to immediate holding company | 5,925,000 | 5,925,000 |
| Less: Cash and cash equivalents | (637,793) | (644,018) |
| ***Net debt*** | 6,807,786 | 6,802,478 |
| Equity attributable to the equity holder of the Company | (4,807,658) | (4,800,900) |
| ***Total capital*** | (4,807,658) | (4,800,900) |
| **Capital and net debt** | 2,000,128 | 2,001,578 |
| **Gearing ratio** | 340 % | 340 % |

**20. RECLASSIFICATIONS AND COMPARATIVE FIGURES**

Certain reclassification have been made to the prior year's financial statements to enhance comparability with current year's financial statements. As a result, certain line items have been amended on the face of the statement of comprehensive income, statement of financial position and related notes to financial statements. Comparative figures have been adjusted to conform with current year's presentation. The reclassifications did not have any impact to the net assets of the Company for the pervious financial year.

The items reclassified were as follows:

| | Previously reported<br>US$ | Reclassification<br>US$ | After Reclassification<br>US$ |
|---|---|---|---|
| *Statements of comprehensive income* | | | |
| Other operating income | 6,442 | (4,111) | 2,331 |
| Administrative expenses | (34,731) | 9,722 | (25,009) |
| Other credits / (charges) | -- | (5,611) | (5,611) |
| | (28,289) | -- | (28,289) |
| *Statement of financial position* | | | |
| Deposit | 2,000,000 | (2,000,000) | -- |
| Prepayment | -- | 2,000,000 | 2,000,000 |
| | 2,000,000 | -- | 2,000,000 |

**21. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements of the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 3 April 2014.