

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

CERTUS INVESTMENT & TRADING LIMITED & ITS SUBSIDIARIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

CONTENTS	PAGES
CORPORATE DATA	2
COMMENTARY OF THE DIRECTORS	3
CERTIFICATE FROM THE SECRETARY	4
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS	5 – 7
STATE MENT OF FINANCIAL POSITION	8
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10 - 11
STATEMENT OF CASH FLOWS	12
NOTES TO THE FINANCIAL STATEMENTS	13 - 34

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, Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

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

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

BANKER : AfrAsia Bank Limited
Nexteracom Tower III
18, Cybercity
Ebene
Mauritius

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

COMMENTARY OF DIRECTORS FOR THE YEAR ENDED 31 MARCH 2017

The directors present the audited financial statements of **CERTUS INVESTMENT & TRADING LIMITED** (the “Company”) and that of its subsidiaries for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDEND

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

No dividend has been paid or declared for the year under review (2016: USD Nil).

DIRECTORS

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

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

AUDITORS

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

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

We certify, to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **CERTUS INVESTMENT & TRADING LIMITED** under the Mauritian Companies Act 2001 during the financial year ended 31 March 2017.

**For International Financial Services Limited
Secretary**

Registered office:

IFS Court, Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 5 May 2017

INDEPENDENT AUDITORS' REPORT

To the member of CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

Report on the Financial Statements

Opinion

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 8 to 34, which comprise the statement of financial position as at 31 March 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2017, and of its financial performance and its cash flows of the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code), Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Certificate from the Secretary. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. Directors'

Director' Responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritian 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

Report on the Financial Statements (continued)

Director' Responsibility for the financial statements (continued)

In preparing the financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also,

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

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

Report on the Group Financial Statements (continued)

Auditors' Responsibility for the Audit of the Financial Statements (continued)

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

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, as a body, those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

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

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

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:

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	The Group		The Company	
		2017	2016	2017	2016
		USD	USD	USD	USD
ASSETS					
Non-current assets					
Investments in subsidiary companies	7	--	--	1,875,340	1,875,340
Current assets					
Advances and prepayments	8	18,325	18,325	2,275	18,275
Cash and cash equivalents	9	15,702,648	15,697,121	13,722,885	13,697,321
		15,720,973	15,715,446	13,725,160	13,715,596
Total assets		15,720,973	15,715,446	15,600,500	15,590,936
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	10	20,419,000	20,419,000	20,419,000	20,419,000
Revenue deficit		(4,722,306)	(5,341,140)	(4,836,645)	(4,849,424)
		15,696,694	15,077,860	15,582,355	15,569,576
Current liabilities					
Trade and other payables	11	24,011	637,523	17,940	21,360
Tax liability	5	268	63	205	--
		24,279	637,586	18,145	21,360
Total equity and liabilities		15,720,973	15,715,446	15,600,500	15,590,936

Approved by the Board for issue on 5 May 2017 and signed on its behalf by:

.....
Director

.....
Director

The notes on page 13 to 34 form and integral part of these financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	The Group		The Company	
		2017	2016	2017	2016
		USD	USD	USD	USD
Income					
Other income		<u>53,566</u>	<u>50,711</u>	<u>33,380</u>	<u>32,188</u>
Expenses					
Administration expenses		19,495	26,246	--	--
License fees		2,500	2,500	2,500	2,500
Audit fees		3,450	3,450	3,450	3,450
Bank charges		1,805	2,278	1,805	2,278
Professional fees		12,641	17,539	12,641	17,539
		<u>39,891</u>	<u>52,013</u>	<u>20,396</u>	<u>25,767</u>
Operating profit / (loss) for the year		13,675	(1,302)	12,984	6,421
Net exchange (loss) / gain		232	(1,863)	--	--
Impairment of advance to subsidiary company	12 (i) (b)	--	--	--	(1,124,100)
Payable waived off	11	606,372	900,000	--	--
Other asset written off		--	(2,000,000)	--	--
Profit / (loss) before taxation		<u>620,279</u>	<u>(1,103,165)</u>	<u>12,984</u>	<u>(1,117,679)</u>
Taxation	5	(1,445)	(3,783)	(205)	--
Profit / (loss) for the year		<u>618,834</u>	<u>(1,106,948)</u>	<u>12,779</u>	<u>(1,117,679)</u>
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>		--	--	--	--
<i>Items that may be classified subsequently to profit or loss</i>		--	--	--	--
Total comprehensive profit / (loss) for the year		<u>618,834</u>	<u>(1,106,948)</u>	<u>12,779</u>	<u>(1,117,679)</u>

The notes on pages 13 to 34 form and integral part of these consolidated financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

The Group

	Stated capital	Revenue deficit	Total
	USD	USD	USD
At 1 April 2015	20,419,000	(4,234,192)	16,184,808
Total comprehensive loss for the year	--	(1,106,948)	(1,106,948)
At 31 March 2016	20,419,000	(5,341,140)	15,077,860
Total comprehensive income for the year	--	618,834	618,834
At 31 March 2017	20,419,000	(4,722,306)	15,696,694

The notes on pages 13 to 34 form an integral part of these consolidated financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017 (CONTINUED)**

The Company

	Stated capital	Revenue deficit	Total
	USD	USD	USD
At 1 April 2015	20,419,000	(3,731,745)	16,687,255
Total comprehensive loss for the year	--	(1,117,679)	(1,117,679)
At 31 March 2016	20,419,000	(4,849,424)	15,569,576
Total comprehensive income for the year	--	12,779	12,779
At 31 March 2017	20,419,000	(4,836,645)	15,582,355

The notes on pages 13 to 34 form an integral part of these consolidated financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	The Group		The Company	
		2017 USD	2016 USD	2017 USD	2016 USD
Cash flows from operating activities					
Profit /(loss) before taxation		620,279	(1,103,165)	12,984	(1,117,679)
<i>Adjustment for:</i>					
Interest income		(53,566)	(50,711)	(33,380)	(32,188)
Impairment of advance to subsidiary Company	12 (i)(b)	--	--	1,124,100	1,124,100
Payable waived off	11	(606,372)	(900,000)	--	--
Other asset written off		--	2,000,000	--	--
Operating loss before working capital changes		(39,659)	(53,876)	(20,396)	(25,767)
Decrease in advances and prepayments		--	5,469,860	--	--
(Decrease)/(increase) in trade and other payables		(7,140)	1,585	(3,420)	2,598
Cash (used in) /from operating activities		(46,799)	5,417,569	(23,816)	(23,169)
Income tax paid		(1,240)	(3,720)	--	--
Net cash (used in)/from operating activities		(48,039)	5,413,849	(23,816)	(23,169)
Cash flows from investing activities					
Interest received		53,566	50,711	--	--
Amount advanced to third party		--	(3,500,000)	--	--
Loan repaid by third party		--	3,500,000	--	--
Amount advanced to subsidiary company	12 (i)(a)	--	--	(13,500,000)	(13,516,000)
Advance repaid by subsidiary company	12 (i)(a)	--	--	13,516,000	16,995,797
Interest repaid by subsidiary company		--	--	33,380	56,942
Net cash from investing activities		53,566	50,711	49,380	3,536,739
Net increase in cash and cash equivalents		5,527	5,464,560	25,564	3,513,570
Cash and cash equivalents at beginning of the year		15,697,121	10,232,561	13,697,321	10,183,751
Cash and cash equivalents at end of the year	9	15,702,648	15,697,121	13,722,885	13,697,321

The notes on pages 13 to 34 form and integral part of these consolidated financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

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

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

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

2. Basis of preparation

(a) *Statement of compliance*

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

(b) *Basis of measurement*

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

(i) *Functional and presentation currency*

The Group's and 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 Group operates and its performance is evaluated and its liquidity is managed in USD.

(ii) *Transactions and balances*

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Basis of preparation (continued)

(c) *Use of estimates and judgment*

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

(d) *Basis of consolidation*

The financial statements incorporate the result of CERTUS INVESTMENT & TRADING LIMITED (the parent company) and that of its subsidiaries, Certus Investment and Trading (S) Private Limited and Proteus Petrochemicals Private Limited, collectively referred to as the "Group". The reporting period of the parent company and the Subsidiaries is 31 March 2017. Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are from the date on which control is transferred to the Company They are de-consolidated from the date that control ceases.

3. Accounting policies

(a) Adoption of new and revised International Financial Reporting Standards

Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group's and the Company's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require and investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group's and the Company's financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies

(a) Adoption of new and revised International Financial Reporting Standards (continued)

Amendments to published Standards and Interpretations effective in the reporting period

IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's and the Company's financial statements.

IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group' and the Company's financial statements.

IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The Amendment has no impact on the Group's and the Company's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

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 2017 or later periods, but which the Group and the Company have not early adopted.

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

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contract with Customers

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

IFRS 16 Leases

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

Amendments to IAS 7 Statement of Cash Flows

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies

(a) Adoption of new and revised International Financial Reporting Standards (continued)

Clarification to IFRS 15 Revenue from Contracts with Customers
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS4)
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments of IFRS 4)
Annual Improvement to IFRSs 2014-2016 Cycle
IFRIC 22 Foreign Currency Transactions and Advance Consideration
Transfers of Investment Property (Amendments to IAS 40)

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

(b) Financial instruments

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

(i) Financial assets

Trade and other receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payment through the expected life of the financial instruments, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments 'at fair value through profit or loss'.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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

Other investments

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

Investments are classified as either investment held-for-trading or as available-for-sale, and are measured at subsequent reporting dates at fair value. Where securities are held-for-trading purposes, gains and losses arising from changes in fair value are included in the profit or loss for the period. For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Impairment losses recognised in the statement of profit or loss and other comprehensive income for debt investments classified as available-for-sale are subsequently reversed if an increase in the fair value 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 and the Company are classified according to the substance of the contractual arrangement entered into and the definitions of a financial liability and an equity instrument.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies (continued)

(b) Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

Equity instruments

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

Financial liabilities

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

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

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

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

(c) Impairment of non-financial assets

At end of each reporting period, the Group and the Company 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 and the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies (continued)

(c) Impairment of non-financial assets (continued)

Recoverable amount is higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income.

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

(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 statement of profit or loss and other comprehensive income

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies (continued)

(e) Investment in subsidiary companies

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

(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) Provision

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

(i) 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.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies (continued)

(j) Sales of goods

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

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

(k) Expense recognition

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

(l) Interest income

Interest income is recognised on the accrual basis.

(m) Dividend income

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

(n) Borrowing costs

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

(o) Income tax

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

The currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the statement of profit or loss and other comprehensive income because it excludes income or expense items that are taxable or deductible in other years and items that are not taxable or tax deductible. The Group's and the Company'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.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies (continued)

(o) Income tax (continued)

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

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deduction temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

(p) 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 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 and the Company intends to settle its current tax assets and liabilities on a net basis.

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

(q) Functional and foreign currency

Functional currency

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3. Accounting policies (continued)

(q) Functional and foreign currency (continued)

Foreign currency transactions

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

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

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

(r) Stated capital

Ordinary shares are classified as equity.

(s) Payable

Payable is stated at its nominal value.

(t) Loan receivable

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

4. Critical accounting estimates and judgements

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

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

4. Critical accounting estimates and judgements (continued)

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

Determination of functional currency

The determination of the functional currency of the Group and the Company 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 and the Company is USD.

Going concern

The Group's and the Company management has made assessment of the Group's and the Company's ability to continue as a going concern and is satisfied that the Group and the Company have 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 and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

5. Taxation

The Company

(a) Income tax

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

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

At 31 March 2017, the Company had a tax losses of USD205 (2016: accumulated tax losses of USD6,162).

The Company does not have a deferred tax asset during the year under review (2016: USD185)

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Taxation (continued)

(b) Tax reconciliation

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

	<u>2017</u> <u>USD</u>	<u>2016</u> <u>USD</u>
Profit /(loss) before taxation	<u>12,984</u>	<u>(1,117,679)</u>
Tax at the rate of 15 %	1,948	(167,652)
Tax effect of :		
Non allowable	--	168,615
	<u>1,948</u>	<u>963</u>
Tax losses brought forward	(924)	(1,887)
	<u>1,024</u>	<u>(924)</u>
Tax credit of 80 %	(819)	739
Deferred tax not recognised	--	185
Tax charge	<u>205</u>	<u>-</u>

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Taxation (continued)

The Subsidiaries

Income tax

	<u>2017</u> <u>USD</u>	<u>2016</u> <u>USD</u>
Charge for the year	<u>1,240</u>	<u>3,783</u>
<u>Tax liability</u>		
At end of the year	<u>63</u>	<u>63</u>

6. Plant and equipment

The Group

	<u>Computer equipment USD</u>
Cost	
At 1 April 2015	46,282
Addition during the year	--
At 31 March 2016	<u>46,282</u>
Addition during the year	--
At 31 March 2017	<u>46,282</u>
Depreciation	
At 1 April 2015	46,282
Charge during the year	--
At 31 March 2016	<u>46,282</u>
Charge during the year	--
At 31 March 2017	<u>46,282</u>
Carrying amount	
As at 31 March 2017	<u> --</u>
As at 31 March 2016	<u> --</u>

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

7. Investments in subsidiary companies

The Company

	<u>2017</u>	<u>2016</u>
	USD	USD
At beginning and end of the year	1,875,340	1,875,340

The details of the investments held in subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation	% holding	Cost		Fair value	
			<u>2017</u>	2016	<u>2017</u>	2016
			USD	USD	USD	USD
Certus Investment and Trading (S) Private Limited	Singapore	100	1,875,339	1,875,339	1,875,339	1,875,339
Proteus Petrochemicals Private Limited	Singapore	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 and Trading (S) Private Limited at 31 March 2017 and that its fair value approximates at least its cost.

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Advances and prepayments

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Prepayments	2,275	2,275	2,275	2,275
Advances to subsidiary companies (see note 12 (i) (a))		--	--	16,000
Advance to ultimate holding company (see note 12 (ii))	16,050	16,050	--	--
	18,325	18,325	2,275	18,275

9. Cash and cash equivalents

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Cash at bank	15,702,648	15,697,121	13,722,885	13,697,321

10. Stated capital

	The Company	
	2017	2016
	USD	USD
<u>Issued and fully paid with no par value</u> 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.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Trade and other payables

	The Group		The Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Sundry payables	--	610,168	--	--
Payable to shareholder (see note 12 (iii))	13,831	13,831	13,831	13,831
Accruals	10,180	18,524	4,109	7,529
	24,011	637,523	17,940	21,360

*Sundry payables amounting to USD606,372 which due for more than seven years were waived off during the year.

12. Related party transactions

	The Company	
	2017	2016
	USD	USD
(i) <u>Advances to subsidiary companies</u>		
<i>Receivable from Certus Investment & Trading (S) Private Limited</i>		
At beginning of the year	16,000	3,495,797
Advanced during the year	13,500,000	13,516,000
Payment received during the year	(13,516,000)	(16,995,797)
At end of the year	--	16,000

- The advance to Certus Investment and Trading (S) Private Limited amounting to USD13,516,000 is unsecured, bears interest at the rate of 0.25% per annum was repaid during the year.

- As at 31 March 2017, interest received from Certus Investment & Trading (S) Pte Ltd. amounted to **USD 33,380** (2016:USDNil).

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. Related party transactions (continued)

(i) Advances to subsidiary companies (continued)

The Company

	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>
(b) <i>Receivable from Proteus Petrochemicals Private Limited</i>		
At beginning of the year	--	1,124,100
Impaired during the year	--	(1,124,100)
At end of the year	--	--
 Total	 <u>--</u>	 <u>16,000</u>

(ii) Advance to ultimate holding company

The Group

	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>
At beginning and end of the year	<u>16,050</u>	<u>16,050</u>

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

(iii) Payable to share holder

The Group and Company

	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>
At beginning and end of the year	<u>13,831</u>	<u>13,831</u>

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

13. Holding and ultimate holding company

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

14. Financial instruments and associated risks

(a) Fair values

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

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

(b) Currency profile

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

The Group

	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Singapore Dollars	1,995,813	6,071	8,688	140,087
United States Dollars	13,722,885	17,940	15,704,483	497,499
	<u>15,718,698</u>	<u>24,011</u>	<u>15,713,171</u>	<u>637,586</u>

The Company

	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
United States Dollars	<u>13,722,885</u>	<u>17,940</u>	<u>13,713,371</u>	<u>21,360</u>

(c) Foreign currency risk

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

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

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Financial instruments and associated risks (continued)

(d) Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Group and the Company. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. The Group and 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 each allowances of losses.

(e) Interest rate risk

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

The Group and the Company holds fixed interest bearing securities and cash. Interest rate movements may affect the level of income receivable on cash deposits and cash equivalents. Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates. However, the interest rate risk of the Group and the Company would be insignificant on its cash at bank as at 31 March 2017. The interest on the interest bearing income securities is fixed and as a result, the Group and the Company is not subject to the risk due to fluctuation in the prevailing levels of market interest rates. For the reasons set out above, this does not expose the Group to significant risk.

(f) Liquidity risk

The Group and 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 Group and 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 Group's and the Company's assets.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

15. Financial instruments and associated risks (continued)

(h) Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and 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 Group and 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 would require disclosure or adjustment to the financial statements for the year ended 31 March 2017.