

**CHEMINVEST PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**  
**(Registration Number:200909241H)**

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

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**CHEMINVEST PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**

**DIRECTORS' STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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The directors present their statement to the member together with the audited financial statements of Cheminvest Pte Ltd (the "Company") for the financial year ended 31 March 2017.

**Opinion of the directors:**

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and the financial performance of the business, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, having regard to the financial support from the holding company there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Directors**

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

**ANANTHANARAYANAN JANAKIRAMAN**  
**SHIV RAJ KAPUR**

**Arrangements to enable directors to acquire shares or debentures**

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

**Directors' interest in shares or debentures**

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

**Options to take up unissued shares**

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

**Options exercised**

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

**Unissued shares under option**

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

**CHEMINVEST PTE. LTD.**  
(incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT, CONT'D**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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**Independent Auditor**

MGI N Rajan Associates has expressed its willingness to accept re-appointment.

**The Board of Directors**



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**ANANTHANARAYANAN JANKIRAMAN**  
**DIRECTOR**



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**SHIV RAJ KAPUR**  
**DIRECTOR**

Date **11 MAY 2017**



**MGI N RAJAN ASSOCIATES**  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS SINGAPORE

**CHEMINVEST PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
CHEMINVEST PTE. LTD.**

**Report on the Audit of the Financial Statements**

*Opinion*

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other information*

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

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.

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G. Natarajan, P.S. Somasekharan, D. Govindaraj

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Each member firm undertakes no responsibility for the activities, work, opinions or service of the other member firms.

**CHEMINVEST PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**INDEPENDENT AUDITOR'S REPORT (continued)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with SSAs, we exercise professional judgement 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**CHEMINVEST PTE. LTD.**  
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**INDEPENDENT AUDITOR'S REPORT (continued)**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Report on Other Legal and Regulatory Requirements*

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

*M G I N*

**MGI N RAJAN ASSOCIATES**  
Public Accountants and Chartered Accountants

Singapore  
Date: **11 MAY 2017**

**CHEMINVEST PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	Note	2017 US\$	2016 US\$	1.4.2015 US\$ (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Subsidiary	5	<u>7,900,000</u>	<u>7,236,806</u>	<u>7,236,806</u>
		<u>7,900,000</u>	<u>7,236,806</u>	<u>7,236,806</u>
<b>Current assets</b>				
Cash and cash equivalents	6	16,571	26,113	22,300
Amount due from subsidiary	5	1,428,937	1,861,444	1,670,483
Other receivables	7	<u>10,766</u>	<u>3,702</u>	<u>3,633</u>
		<u>1,456,274</u>	<u>1,891,259</u>	<u>1,696,416</u>
<b>Total assets</b>		<u>9,356,274</u>	<u>9,128,065</u>	<u>8,933,222</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Amount due to holding company	8	1,620,877	1,363,076	1,115,830
Loan from holding company	8	5,064,336	3,798,252	2,532,168
Other payables	9	12,083	10,276	10,520
Provision for tax	4b	<u>14,522</u>	<u>6,630</u>	<u>-</u>
		<u>6,711,818</u>	<u>5,178,234</u>	<u>3,658,518</u>
<b>Non-current liabilities</b>				
Loan from holding company	8	<u>2,532,168</u>	<u>3,798,252</u>	<u>5,064,336</u>
		<u>2,532,168</u>	<u>3,798,252</u>	<u>5,064,336</u>
<b>Total liabilities</b>		<u>9,243,986</u>	<u>8,976,486</u>	<u>8,722,854</u>
<b>NET ASSETS</b>		<u>112,288</u>	<u>151,579</u>	<u>210,368</u>
<b>EQUITY</b>				
Share capital	10	403,497	403,497	403,497
Accumulated (losses)		<u>(291,209)</u>	<u>(251,918)</u>	<u>(193,129)</u>
<b>Total equity</b>		<u>112,288</u>	<u>151,579</u>	<u>210,368</u>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**CHEMINVEST PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**

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

	Note	2017 US\$	2016 US\$
<b>Revenue</b>			
Interest income		286,500	286,500
Other income		-	241
Other operating expenses		(11,125)	(14,520)
Finance costs	16	(303,860)	(303,860)
<b>(Loss) before tax</b>	3	<u>(28,485)</u>	<u>(31,639)</u>
Tax expense	4a	<u>(10,806)</u>	<u>(27,150)</u>
<b>(Loss) after tax</b>		<u>(39,291)</u>	<u>(58,789)</u>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>(39,291)</u>	<u>(58,789)</u>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*



**CHEMINVEST PTE. LTD.**  
**(Incorporated in the Republic of Singapore)**

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

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	Share capital US\$	Accumulated (losses) US\$	Total US\$
<b>Balance as at 31 March 2015</b>	<b>403,497</b>	<b>(193,129)</b>	<b>210,368</b>
Total comprehensive income	-	(58,789)	(58,789)
<b>Balance as at 31 March 2016</b>	<b>403,497</b>	<b>(251,918)</b>	<b>151,579</b>
Total comprehensive income	-	(39,291)	(39,291)
<b>Balance as at 31 March 2017</b>	<b>403,497</b>	<b>(291,209)</b>	<b>112,288</b>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**CHEMINVEST PTE. LTD.**  
(Incorporated in the Republic of Singapore)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	2017 US\$	2016 US\$ (Restated)
<b>Cash flows from operating activities</b>			
(Loss) before tax		(28,485)	(31,639)
Adjustments for			
Withholding tax receivable		7,065	-
<b>Operating (loss) before working capital changes</b>		<b>(21,420)</b>	<b>(31,639)</b>
Change in working capital:			
(Increase) in other receivables		(14,129)	(69)
(Increase) in amount due from Subsidiary		(230,687)	(190,961)
Increase in amount due to holding company		257,801	247,246
Increase/(decrease) in other payables		1,807	(244)
<b>Cash (used in) operations</b>		<b>(6,628)</b>	<b>24,333</b>
Tax refund/(paid)		(2,914)	(20,521)
<b>Net cash from operations</b>		<b>(9,542)</b>	<b>3,813</b>
Net (decrease)/increase in cash and cash equivalents		(9,542)	3,813
Cash and cash equivalents at beginning of the year		26,113	22,300
<b>Cash and cash equivalents at end of the year</b>	<b>6</b>	<b>16,571</b>	<b>26,113</b>

*(The annexed notes form an integral part of and should be read in conjunction with these financial statements.)*

**CHEMINVEST PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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

**1. GENERAL**

The Company was incorporated as a limited private Company and domiciled in Singapore.

The financial statements of the Company for the financial year ended 31 March 2017 were authorized for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The principal activities of the Company are that of investment holdings.

There have been no significant changes in the nature of these activities during the year.

The company's registered office address is at  
10, Jalan Besar,  
# 10-09 Sim Lim Tower,  
Singapore 208787.

The Company's immediate holding company is Tarderiv International Pte Ltd, a company incorporated in Singapore and its ultimate holding company is Thirumalai Chemicals Limited, a company incorporated in India.

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

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

**Adoption of new and revised standards**

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

**CHEMINVEST PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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**2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd**

**2.2 Standards issued but not yet effective**

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

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods			
	Beginning	on	or	after
FRS 115 Revenue from Contracts with Customers				1 Jan 2018
FRS 109 Financial instruments				1 Jan 2018
Amendments to FRS 7: Disclosure Initiative				1 Jan 2017
Amendments for FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses				1 Jan 2017
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers				1 Jan 2018
FRS 116 Leases				1 Jan 2019

**2.3 Revenue recognition**

Interest income is recognised using the effective interest method.

**2.4 Currency translation**

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the profit and loss account in the period in which they arise. However, where a foreign currency transaction is to be settled at a contracted rate or is covered by a related or matching forward exchange contract, the rate of exchange specified in the contract will be used and any corresponding monetary assets or liabilities will not be retranslated.

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

**2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd**

**2.5 Financial Assets, cont'd**

**Subsequent measurement**

**Loans and receivables**

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loan 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 amortization process.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash at banks.

**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 has been recognized in other comprehensive income is recognized in profit or loss.

**2.6 Financial liabilities**

**Initial recognition and measurement**

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

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

**Subsequent measurement**

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

Such financial liabilities comprise trade and other payables.

**De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

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**2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd**

**2.7 Impairment of financial assets**

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

**Financial assets carried at amortised cost**

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognized in 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 amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impaired 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 amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or

**2.8 Cash and cash equivalents**

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

**2.9 Taxation**

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax law) that have been enacted or substantially enacted by the balance sheet date.

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

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**2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd**

**2.9 Taxation, cont'd**

Deferred tax liabilities are recognised for all taxable temporary differences (unless the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss).

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised (unless the deferred tax asset relating to the deductible temporary differences arises from goodwill or the initial recognition of an asset or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.)

The statutory tax rates enacted the balance sheet date is used to determine deferred income tax.

**2.10 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in the income statement as interest expense.

**2.11 Share capital**

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

**2.12 Subsidiary**

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The subsidiary results have not been consolidated as the company is itself a wholly owned subsidiary of another company, Thirumalai Chemicals Limited, a company incorporated in India, which publishes the consolidated financial statements.

**CHEMINVEST PTE. LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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**2. SIGNIFICANT ACCOUNTING POLICIES, Cont'd**

**2.13 Related Party**

A Party is considered to be related to the Company if:-

- a) The party directly or indirectly through one or more intermediaries,
  - (i) Controls, is controlled by, or is under common control with, the Company;
  - (ii) has an interest in the Company that gives it significant influence over the Company; or
  - (iii) has joint control over the Company
- b) The party is an associate
- c) The party is a member of the key management personnel of the Company or The party is close member of the family of any individual referred to in a) or d); or
- d) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly referred to in d) or e); or
- e) the party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company; or
- f) Its parent.

**2.14 Borrowing costs**

Borrowing costs are recognised in profit or loss using the effective interest method.

**2.15 Going concern**

The Company has a net loss after tax of US\$39,291(2016: US\$58,789) for the financial year ended 31 March 2017, and as of that date, its current liabilities exceeded its current assets by US\$5,255,544 (2016:US\$3,286,975). Notwithstanding these, the financial statements have been prepared on a going concern basis as it's holding company, Tarderiv International Pte Ltd, has undertaken to provide continuing financial support to enable the Company to continue operating as going concern in the foreseeable future and to meet its liabilities as and when they fall due.

**2.16 Borrowings**

All loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within 12 months after the balance sheet date are presented as current borrowings even though the original term was for a period longer than 12 months and an arrangement to refinance, or reschedule payments, on a long term basis is completed after the balance sheet date and before the financial statements are authorized for issue.

Other borrowings due to be settled more than 12 months after the balance sheet date are presented as non- current borrowings in the balance sheet. Trade and other payables and interest bearing borrowings are stated at cost. Interest bearing borrowings are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit & loss account over the period of the borrowings on effective interest basis.



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

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**3. Significant accounting judgements and estimates**

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions 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.

**3.1 Judgements made in applying accounting policies**

Determination of functional currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of loans and receivables

The impairment of loan to subsidiary and amount due from subsidiary is based on management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Company's loan to subsidiary and amount due from subsidiary as at 31 March 2017 were US\$ 4,775,000 (2016: US\$4,775,000) and US\$1,428,937(2016US\$1,198,250).

Impairment of subsidiary

The Company records impairment charges on investments in subsidiary when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Company evaluates, among other factors, financial performance and the duration and extent to which the fair value of an investment is less than its cost.

The carrying amounts of the Company's investment in subsidiary as at 31 March 2017 were US\$3,125,000(US\$3,125,000).

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**3. (LOSS) BEFORE TAX**

This includes the following:-

	2017 US\$	2016 US\$
Director's fee	2,134	2,227
Professional fee	5,398	7,765
	<hr/>	<hr/>

**4a. TAX EXPENSE**

	2017 US\$	2016 US\$
<b>Current tax</b>		
Current year provision	7,892	6,630
Overprovision of tax in prior year	(1,961)	-
Foreign tax paid	4,875	-
Under provision for tax of prior years	-	20,520
	<hr/>	<hr/>
	10,806	27,150

The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on company's (loss) as a result of the following:-

	2017 US\$	2016 US\$
(Loss) before taxation	<hr/> (28,485)	<hr/> (31,639)
Tax at statutory rate of 17% (2016:17%)	(4,842)	(5,379)
Tax effect on non-deductibles	25,181	25,055
Tax effect on tax exemptions	(10,474)	(9,838)
Rebate @ 20% (2016:30%)	(1,973)	(2,841)
Exchange difference adjustment	-	(367)
Refund of tax	(1,961)	-
Foreign tax paid	4,875	-
Under provision for tax of prior years	-	20,520
	<hr/>	<hr/>
	10,806	27,150

**b. Movement in taxation**

	2017 US\$	2016 US\$
Beginning of financial year		-
Tax paid	6,630	(20,520)
Under/(Over)provision of tax in prior year	-	20,521
Current tax	7,892	6,630
	<hr/>	<hr/>
	14,522	6,630

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**4. SUBSIDIARY**

	2017	2016
	US\$	US\$
<b>Non-Current Assets</b>		
Unquoted shares stated at cost	3,125,000	3,125,000
*Loan to Subsidiary – Due after 12 months	4,775,000	4,111,806
	7,900,000	7,236,806
<b>Current Assets</b>		
*Loan to subsidiary – Due within 12 months	-	663,194
Interest receivable on loan**	1,428,937	1,198,250
	1,428,937	1,861,444

**2017**

As per the new arrangement between the lender & the borrower, the loan is repayable within a period of 5 years from 1 April 2019 in equal quarterly instalments. Loan is unsecured and carries an interest of 6% per annum.

**2016**

\*Loan to Subsidiary is unsecured, carries interest of 6% per annum (2016:6%) and is due within six years from June 2014 in equal installments.

\*\*It is unsecured and due on demand.

**Details of the subsidiary as at 31 March 2017 are as follows:**

Name of Subsidiary	Principal activities	Cost of investment		Country of incorporation	Equity holding	
		2017	2016		2017	2016
		US\$	US\$		%	%
Optimistic Organic Sdn Bhd	Manufacturing & trading of Petro-chemical products	3,125,000	3,125,000	Malaysia	100	100

**6. CASH AND CASH EQUIVALENTS**

	2017	2016
	US\$	US\$
Cash at banks	16,571	26,113
	16,571	26,113

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**7. OTHER RECEIVABLES**

	2017 US\$	2016 US\$
Deposit	3,701	3,702
Withholding tax receivable	7,065	-
	10,766	3,702

**8. AMOUNT DUE TO HOLDING COMPANY**

	2017 US\$	2016 US\$	1. 4. 2015 US\$ (Restated)
<b>Current liabilities</b>			
Interest payable ( Net of non-trade payables)	1,620,877	1,363,076	1,115,830
*Loan from holding co. - Due within 12 months	5,064,336	3,798,252	2,532,168
	6,685,213	5,161,328	3,647,998
<b>Non -Current liabilities</b>			
*Loan from holding co. - Due after 12 months	2,532,168	3,798,252	5,064,336
	2,532,168	3,798,252	5,064,336

\*The loan is unsecured, carries interest of 4% per annum (2016:4%) and repayable within six years from April 2014 in equal installments.

**9. OTHER PAYABLES**

	2017 US\$	2016 US\$
Accruals	12,083	10,276
	12,083	10,276

**10. SHARE CAPITAL**

	2017		2016	
	No. of shares issued	US\$	No. of shares issued	US\$
<b>Ordinary shares issued, subscribed and fully paid up</b>				
Balance at beginning of year	405,000	403,497	405,000	403,497
Balance at end of year	405,000	403,497	405,000	403,497

The ordinary shares are with no par value and entitled for dividend as and when declared and carry one vote per share with no restriction.

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**11. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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.

***Credit risk***

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

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

**Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

**Exposure to credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company's credit risk is primarily attributable to the amount due from its subsidiary amounting to US\$ 6,203,937 (2016: US\$ 5,973,250).

***Liquidity risk***

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

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

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**11. FINANCIAL RISK MANAGEMENT, cont'd**

**Liquidity risk, cont'd**

**Financial assets**

	<i>Less than 1 year US\$</i>	<i>Between 1 and 2 years US\$</i>	<i>Between 2 and 5 years US\$</i>	<i>After 5 years US\$</i>	<i>Total US\$</i>
<b>At 31 March 2017</b>					
Cash and cash equivalents	16,571	-	-	-	16,571
Amount due from subsidiary	1,428,936	-	-	-	1,428,936
Deposit	3,701	-	-	-	3,701
Loan to subsidiary	3,979,168	795,832	-	-	4,775,000
<b>Total</b>	<b>5,428,376</b>	<b>795,832</b>	<b>-</b>	<b>-</b>	<b>6,231,274</b>

	<i>Less than 1 year US\$</i>	<i>Between 1 and 2 years US\$</i>	<i>Between 2 and 5 years US\$</i>	<i>After 5 years US\$</i>	<i>Total US\$</i>
<b>At 31 March 2016</b>					
Cash and cash equivalents	26,113	-	-	-	26,113
Amount due from subsidiary	1,198,250	-	-	-	1,198,250
Deposit	3,702	-	-	-	3,702
Loan to subsidiary	663,194	1,326,388	1,989,582	795,836	4,775,000
<b>Total</b>	<b>1,891,259</b>	<b>1,326,388</b>	<b>1,989,582</b>	<b>795,836</b>	<b>6,003,065</b>

**Financial Liabilities**

	<i>Less than 1 year US\$</i>	<i>Between 1 and 2 years US\$</i>	<i>Between 2 and 5 years US\$</i>	<i>After 5 years US\$</i>	<i>Total US\$</i>
<b>At 31 March 2017</b>					
Due to holding company	1,620,877	-	-	-	1,620,877
Other payables	12,083	-	-	-	12,083
Loan from holding company	6,330,420	1,266,084	-	-	7,596,504
<b>Total</b>	<b>7,963,380</b>	<b>1,266,084</b>	<b>-</b>	<b>-</b>	<b>9,229,464</b>

	<i>Less than 1 year US\$</i>	<i>Between 1 and 2 years US\$</i>	<i>Between 2 and 5 years US\$</i>	<i>After 5 years US\$</i>	<i>Total US\$</i>
<b>At 31 March 2016</b>					
Due to holding company	1,363,076	-	-	-	1,363,076
Other payables	10,276	-	-	-	10,276
Loan from holding company	2,532,168	1,266,084	3,798,252	-	7,596,504
<b>Total</b>	<b>2,639,436</b>	<b>1,266,084</b>	<b>3,798,252</b>	<b>-</b>	<b>8,969,856</b>

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**11. FINANCIAL RISK MANAGEMENT, cont'd**

**Market risk**

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

**(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 is not exposed to movements in market interest rates as it maintains its interest bearing asset and liability in fixed rate instrument.

**(ii) Foreign currency risk**

The Company's foreign exchange risk results mainly from cash flows from transaction denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The company is not exposed to movements in foreign currencies exchange rates. The company's foreign exchange transactions are insignificant.

**12. FAIR VALUE**

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

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

**Cash and cash equivalents, other receivables and other payables**

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

**13. FINANCIAL INSTRUMENTS BY CATEGORY**

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

	2017 US\$	2016 US\$
<b>Loans and receivables</b>		
Loan to subsidiary	4,775,000	4,775,000
Amount due from subsidiary	1,428,936	1,198,250
Cash and cash equivalents	16,571	26,113
Deposits	3,701	3,702
	<u>6,224,208</u>	<u>6,003,065</u>
<b>Financial liabilities at amortised cost</b>		
Other payables	12,083	10,276
Loans and borrowings	9,217,381	8,959,580
	<u>9,229,464</u>	<u>8,969,856</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**14. CAPITAL MANAGEMENT**

The Board's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development by issuing or redeeming equity and debts instruments when necessary.

There has been no change in the capital risk policy of management since last year.

The board of directors monitors its capital based on net debt and total capital. Net debt calculated as borrowings plus trade and other payables less cash and bank deposits. Total capital is calculated as equity plus net debt.

The gearing ratio is computed as net debt divided by total capital. The management monitors capital risk based on gearing ratio.

The Company is not subject to any externally imposed capital requirements:-

	2017	2016
	US\$	US\$
Net debt	9,212,893	8,943,743
Total equity	112,288	151,579
<b>Total capital</b>	<b>9,325,181</b>	<b>9,095,322</b>
<b>Gearing ratio</b>	<b>98.80%</b>	<b>98.33%</b>

**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 who are members of the Company took place during the year at terms agreed between the parties.

	2017	2016
	US\$	US\$
Interest income from Subsidiary	286,500	286,500
Interest paid to holding Company	303,860	303,860
Payments made on behalf of the immediate holding company	46,059	56,615

Outstanding balances at 31 March 2017, arising from loans receivables/payables within 12 months and after 12 months from balance sheet date are disclosed in Notes 5 & 8.

**16. FINANCE COSTS**

	2017	2016
	US\$	US\$
Interest on loan	303,860	303,860
	<b>303,860</b>	<b>303,860</b>



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**17. CONTINGENT LIABILITY**

Company has given corporate guarantee to a bank for and on behalf of its subsidiary amounting to RM 32,000,000 equivalent to US\$ 8,220,800 (2015: RM 32,000,000 equivalent to US\$ 8,633,948).

**18. RESTATEMENT OF PRIOR YEAR COMPARATIVE FIGURES DUE TO RECLASSIFICATION**

The comparative figures for the statement of cash flow as at 31 March 2016 have been restated in these financial statements due to:

In prior years, amounts due from subsidiary and due to holding company reflected under cash flows from investing activities and financing activities respectively have been reclassified to working capital changes.

	As previously stated US\$	Adjustments US\$	Restated US\$
<b>Statement of Cash Flows</b>			
<b>Working capital changes</b>			
Amount due from Subsidiary	-	(190,961)	(190,961)
Amount due to holding company	-	247,246	247,246
<b>Cash flows from investing activities</b>			
Amount due from Subsidiary	(190,961)	190,961	-
<b>Cash flows from financing activities</b>			
Amount due to holding company	247,246	(247,246)	-

In prior years, loan to subsidiary reflected under statement of financial position have not been correctly classified between current and non-current assets and accordingly retrospective adjustments are made to the previously issued financial statements. The effects to statement of financial position are as follows:

<b>As at 1 April 2015</b>	As previously stated US\$	Adjustments US\$	As restated US\$
<b>Statement of financial position</b>			
<b>Current</b>			
Loan from holding company	1,266,084	1,266,084	2,532,168
<b>Non-current</b>			
Loan from holding company	6,330,420	(1,266,084)	5,064,336

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**DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	2017 US\$	2016 US\$
<b>Revenue</b>		
Interest income on loan	286,500	286,500
<b>Other Income</b>		
Exchange gain	-	241
	<u>286,500</u>	<u>286,741</u>
<b>Expenses</b>		
Audit fee	2,703	2,813
Audit fee-underprovision in prior year	197	708
Bank charges	209	250
Director's fee	2,134	2,227
Interest paid to holding company	303,860	303,860
Printing & stationery	185	181
Penalty	-	35
Professional fee	5,398	7,765
Registered office facilities	299	311
Subscription fees	-	229
	<u>314,985</u>	<u>318,380</u>
<b>Net (loss) for the year</b>	<u>(28,485)</u>	<u>(31,639)</u>