ANNUAL REPORT & FINANCIAL STATEMENTS

OF WHOLLY OWNED SUBSIDIARY / SUBSIDIARY COMPANIES

OF

TAMILNADU PETROPRODUCTS LIMITED

(2009-10)

- CERTUS INVESTMENT & TRADING LIMITED
  (AS AT 31ST DECEMBER 2009)

- CERTUS INVESTMENT AND TRADING(S) PRIVATE LIMITED
  (AS AT 31ST DECEMBER 2009)

- PROTEUS PETROCHEMICALS PRIVATE LIMITED
  (AS AT 31ST DECEMBER 2009)

- SPIC ELECTRIC POWER CORPORATION PRIVATE LIMITED
  (AS AT 31ST MARCH 2010)

Certus Investment & Trading Limited

(A Wholly owned subsidiary of Tamilnadu Petroproducts Limited)

Eigth Annual Report &
Financial Statements for the Year ended
31 December 2009

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MANAGEMENT AND ADMINISTRATION

DIRECTORS	:	Couldip Basanta Lala Kapil Dev Joory Ashwin Chidambaram Muthiah
SECRETARY	:	International Financial Services Limited IFS Court Twenty Eight, Cybercity Ebene Mauritius
REGISTERED OFFICE	:	IFS Court Twenty Eight, Cybercity Ebene Mauritius
AUDITORS	:	Sashi Kala Devi Associates Public Accountants & Certified Public Accountants 31 Cantonment Road Singapore 089747

NOTICE

Notice is hereby given that the Annual Meeting of the Company will be held at its registered office on Wednesday 30 June 2010 at 13.30 hours (Mauritius time) to transact the following business:

1. To adopt the financial statements for the year ended 31 December 2009 and receive the auditors' reports.

2. To re-appoint Shashi Kala Devi associates, as auditors to hold office until the next Annual Meeting and to authorise the Directors to determine their remuneration, sign the letter of engagement and execute any audit related documents.

By order of the Board

Kawsar Leckraz / Taslima Peerbocus
For **International Financial Services Limited.**
Secretary

Dated 16th day of June 2010

NOTES

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

COMMENTARY OF THE DIRECTORS

PRINCIPAL ACTIVITIES

The principal activities of the Company are to hold investments to earn income thereon.

The Company has a wholly owned subsidiary called Certus Investment & Trading (S) Pte Ltd, incorporated in the Republic of Singapore which carrying out trading activities. The Company has another wholly owned subsidiary called Proteus Petrochemical Private Limited (Formerly known as TPL India Singapore Pte Ltd), incorporated in the Republic of Singapore. This subsidiary company has been set up to manufacture Normal Paraffin (petrochemical) products. The Company has also invested in Gulf Petroproduct Company EC.company in Bahrain, a company dealing in petroproducts.

The consolidated revenue (including interest income) and the net profit of the Company and subsidiaries for the year ended 31 December 2009 was USD 5,199,098 and USD 241,855 respectively. The Company and its subsidiaries are referred to as Group.

RESULTS

The results of the Company and the Group for the year are shown in the Statement of Comprehensive income,Consolidated Statement of comprehensive income, and the related notes.

DIRECTORS

The membership of the Board is set out in page 2. All the directors served throughout the year.

DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Company Law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flow of the Company. The directors are responsible for keeping the accounting records which:

- correctly record and explain the transactions of the Company;
- disclose with reasonable accuracy at any time the financial position ofthe Company; and
- would enable them to ensure that the financial statements comply with the Companies Act 2001.

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

AUDITORS

The auditors, Sashi Kala Devi Associates, have indicated their willingness to continue in office.

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

We certify that to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as required of Certus Investment and Trading Limited under the Companies Act 2001 during the financial year ended 31 December 2009.

for **International Financial Services Limited**

Secretary

Registered Office:

IFS Court, Twenty Eight,
Cybercity, Ebene,
Mauritius

Date: 5 May 2010

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accompanying financial statements of Certus Investment & Trading Limited and of the Group set out from pages 5 to 18 which have been prepared on the basis of the accounting policies set out on pages 10 to 14.

The report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report or for the opinions that we have formed.

Respective responsibilities of the directors and auditors

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and for ensuring that the financial statements comply with the Companies Act 200I. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our audit includes an examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming our opinion we also evaluated the overall; adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have no relationship with, or any interests in, the Company other than in our capacity as auditors.

Opinion

We have obtained all such information and explanation which we considered necessary.

In our opinion,

a) proper accounting records have been kept by the Company and those subsidiaries audited by us as far as it appears from our examination of those records.

b) the accompanying financial statements and consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the results, changes in shareholders' equity and cash flows of the Company and the Group for the year then ended, comply with the Companies Act 200I and have been prepared in accordance with Intemational Financial Reporting Standards.

Sashi Kala Devi Associates
Date: 05 May 2010 **Public Accountants &**
Certified Public Accountants
Singapore

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	NOTES	2009	2008
		USD	USD
ASSETS			
Non current assets			
Computer equipment	4	**41,209**	4,066
Capital project in progress	5	**3,556,585**	2,513,557
Investment in associate company	7	**430,000**	430,000
		4,027,794	2,947,623
Current assets			
Trade and other receivables	8	**7,338,754**	7,013,139
Cash & cash equivalents	9	**14,202,017**	15,300,578
		21,540,771	22,313,717
Total assets		**25,568,565**	25,261,340
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	**20,419,000**	20,419,000
Retained earnings		**1,979,248**	1,737,393
Currency translation reserve		**(3,198)**	66,116
		22,395,050	22,222,509
Current liabilities			
Trade and other payables	11	**3,171,600**	3,026,451
Provision for taxation	12	**1,915**	12,380
		3,173,515	3,038,831
Total equity and liabilities		**25,568,565**	25,261,340

Approved by the Board of Directors on **5 May 2010** and signed in its behalf by:

Couldip Basanta Lala
Director

Ashwin Chidambaram Muthiah
Director

The accounting policies from pages 10 to 14 and the notes from pages 14 to 18 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
INCOME			
Sales		**4,902,327**	1,261,894
Service fee income		**9,231**	-
Exchange gain		**197,090**	-
		5,108,648	1,261,894
Less:			
Purchases		**(4,897,327)**	(1,256,584)
Gross Profit		**211,321**	5,310
Interest income		**83,330**	430,320
Job Credit		**7,120**	-
		301,771	435,630
EXPENSES			
Professional fees		**17,205**	13,141
Administrative expenses		**2,650**	650
Office expenses		**298**	10,304
Audit fees		**16,808**	7,107
Bank charges		**5,078**	1,378
Depreciation		**3,081**	680
Guest house and rental expenses		**-**	57
Exchange difference		**-**	14,907
Travel expenses		**-**	91
Telecom charges		**9,262**	885
Registered office charges		**217**	-
Staff allowance		**-**	21,170
Service charges		**3,472**	100,00
		58,071	170,370
Profit before tax		**243,700**	265,260
Taxation	12	**(1,845)**	(12,716)
Net profit for the year		**241,855**	252,544
Other comprehensive income		**-**	-
Total comprehensive income for the year		**241,855**	252,544

The accounting policies from pages 10 to 14 and the notes from pages 14 to 18 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital USD	Retained earnings USD	Currency translation reserve USD	Total USD
As at 31 December 2007	20,419,000	1,484,849	34,894	21,938,743
Net profit of the year	-	252,544	31,222	283,766
As at 31 December 2008	20,419,000	1,737,393	66,116	22,222,509
Net profit of the year	-	241,855	(69,314)	172,541
As at 31 December 2009	20,419,000	1,979,248	(3,198)	22,395,050

CONSOLIDATED STATEMENT CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
Cash flow from operating activities			
Profit before taxation		**243,700**	265,260
Adjustments for:			
Depreciation		**3,081**	680
Interest income		**(83,330)**	(430,320)
Operating loss before working capital changes		**163,451**	(164,380)
Changes in working capital			
Trade and other receivables		**(325,615)**	754,924
Trade and other payables		**243,328**	675,056
Cash generated from operations		**81,164**	1,265,600
Income tax paid		**(12,310)**	(26,058)
Translation difference		**(69,314)**	31,222
Net cash flow (used in)/generated from operating activities		**(460)**	1,270,764
Cash flows from investing activities			
Purchase of computer		**(40,224)**	(3,611)
Payment towards project work in progress		**(1,043,028)**	(1,539,652)
Share application money		**-**	(20,460)
Interest income		**83,330**	430,320
Amount due to ultimate holding company		**(98,179)**	(743,456)
Net cash flow from investing activities		**(1,098,101)**	(1,876,859)
Net change in cash & cash equivalents		**(1,098,561)**	(606,095)
Cash and cash equivalents at beginning of year		**15,300,578**	15,906,673
Cash and cash equivalents at end of year	10	**14,202,017**	15,300,578

The accounting policies from pages 10 to 14 and the notes from pages 14 to 18 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	NOTES	2009 USD	2008 USD
ASSETS			
Non current assets			
Capital project in progress	5	**34,677**	34,677
Investment in subsidiary companies	6	**2,175,339**	2,175,339
Investment in associate company	7	**430,000**	430,000
		2,640,016	2,640,016
Current assets			
Trade and other receivables	8	**11,124,629**	4,934,750
Cash & cash equivalents	9	**8,718,065**	15,044,873
		19,842,694	19,979,623
Total assets		**22,482,710**	22,619,639
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	**20,419,000**	20,419,000
Retained earnings		**1,972,559**	1,921,657
		22,391,559	22,340,657
Current liabilities			
Trade and other payables	11	**89,576**	266,602
Provision for taxation	12	**1,575**	12,380
		91,151	278,982
Total equity and liabilities		**22,482,710**	22,619,639

Approved by the Board of Directors on 5 May 2010 and signed in its behalf by

Couldip Basanta Lala
Director

Ashwin Chidambaram Muthiah
Director

The accounting policies from pages 10 to 14 and the notes from pages 14 to 18 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
INCOME			
Service fees		**9,231**	-
Interest income		**65,664**	429,017
		74,895	429,017
EXPENSES			
Professional fees		**12,183**	8,302
Administrative expenses		**2,650**	650
Audit fees		**5,000**	4,500
Bank charges		**2,585**	2,917
		22,418	16,369
Profit before tax		**52,477**	412,648
Income Tax	12	**(1,575)**	(12,380)
Net profit for the year		**50,902**	400,268
Other comprehensive income		**-**	-
Total comprehensive income for the year		**50,902**	400,268

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital USD	Retained earnings USD	Total USD
As at 31 December 2007	20,419,000	1,521,389	21,940,389
Net profit of the year	-	400,268	400,268
As at 31 December 2008	20,419,000	1,921,657	22,340,657
Net profit of the year	-	50,902	50,902
As at 31December2009	**20,419,000**	**1,972,559**	**22,391,559**

The accounting policies from pages 10 to 14 and the notes from pages 14 to 18 form an integral part of the financial statements.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
Cash flow from operating activities			
Profit before taxation		**52,477**	412,648
Adjustments for:			
Interest income		**(65,664)**	(429,017)
Operating loss before working capital changes		**(13,187)**	(16,369)
Changes in working capital			
Trade and other receivables		**(6,189,879)**	(730,000)
Trade and other payables		**(177,026)**	20,607
Cash generated used in operations		**(6,380,092)**	(725,762)
Income tax paid		**(12,380)**	(25,722)
Net cash flow used in operating activities		**(6,392,472)**	(751,484)
Cash flows from investing activities			
Capital project		**-**	(15,460)
Interest income		**65,664**	429,017
Net cash flow from investing activities		**65,664**	413,557
Net change in cash & cash equivalents		**(6,326,808)**	(337,927)
Cash and cash equivalents at beginning of year		**15,044,873**	15,382,800
Cash and cash equivalents at end of year	9	**8,718,065**	15,044,873

The accounting policies from pages 10 to 14 and the notes from pages 14 to 18 form an integral part of the financial statements.

CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARIES NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

1. GENERAL

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

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the "Group"). These financial statements of the Company and the Group are expressed in United States dollar ("USD"), which is the Company's functional and presentation currency. The Company's business or other activity is carried out in a currency other than the Mauritian Rupee which is a requirement of the Financial Services Development Act 200I.

The principal activities of the Company are to hold investments to earn income thereon. The principal activities of the subsidiary companies are also described in Note 6 to the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with International Financial Reporting Standards ("IFRS").

In the current financial year, the Company has adopted all the new and revised IFRS and Interpretations of IFRS ("INT IFRS") that are relevant to its operations and effective for annual periods since the beginning of the financial year. The adoption of these new revised IFRS and INT IFRS does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Company is currently evaluating the provisions of new/revised IFRS and INT IFRS and amendments to IFRS that were issued at the date of authorisation of these financial statements but which are not yet effective till future periods. Preliminary assessment by the Company indicates that the adoption of these IFRS, INT IFRS and amendments to IFRS will have no material impact on the financial statements of the Company in the period of their initial adoption.

The preparation of financial statements in conformity with IFRS requires management to exercise its judgements in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and involve a higher degree of judgement or complexity are separately disclosed when necessary.

(b) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when 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 income statement 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 payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

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

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

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 investments 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 and 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 income statement for equity investments classified as available-for-sale are not subsequently reversed through the income statement. Impairment losses recognised in the income statement for debt instruments classified as available-for-sale are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

(ii) Financial liabilities and equity instruments

Classification as debt or equity - Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments - An equity instrument is any contract that evidences a residual interest in the assets of the 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 measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with 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 of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through 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 income statement over the guarantee period on a straight-line basis.

(c) Impairment of non-financial assets

At each balance sheet date, 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' Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Where 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 income statement.

(d) Property, plant and equipment

Property, 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
Computers	-	3

The estimated useful lives, residual values and depreciation methods are reviewed at each year-end, with the effect of any changes in estimates accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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

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

(e) Subsidiaries

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 ability to appoint or remove the majority of the members of the board of directors or to cast 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 for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amounts that would be realised in a current market exchange.

(f) Cash and cash equivalents

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

(g) Related party

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) Associates

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

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

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

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

(i) Provisions

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

(j) 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.

Sale of goods

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

(i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;

(iii) the amount of 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.

Rendering of services

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

Interest income

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

Dividend income

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

(k) 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 income statement in the period in which they are incurred.

(l) Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the income statement 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 Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the fmancial statements and the corresponding tax bases used in computing taxable profit, and is accounted for using the balance sheet 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 deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

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 the balance sheet date. Deferred tax is charged or credited to the income statement, 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 Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the income statement, 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 acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(m) Functional and foreign currency

Functional currency

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

Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currencies of the respective entities in the Group at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date 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.

Foreign currency transactions

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

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

3. FINANCIAL RISKS AND MANAGEMENT

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

Foreign currency risk

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

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

Credit risk

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

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

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

Interest rate risk

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

Liquidity risks

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

Fair value of financial assets and financial liabilities

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

4. COMPUTER EQUIPMENT

The Group

	Computer USD
Cost	
Balance as at 1.1.2008	2,807
Additions	3,611
Balance as at 31.12.2008	6,418
Additions	40,224
Balance as at 31.12.2009	46,642
Accumulated Depreciation	
Balance as at 1.1.2008	1,672
Depreciation charge for the year	680
Balance as at 31.12.2008	2,352
Depreciation charge for the year	3,081
Balance as at 31.12.2009	5,433
Carrying amount	
As at 31.12.2009	41,209
As at 31.12.2008	4,066

5. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of a normal paraffin plant. The director expects the commencement of the construction of the plant within the next twelve months and to be completed in the first half of year 2010. The total expected costs of the project are estimated to be approximately USD 110 million.

6. INVESTMENT IN SUBSIDIARY COMPANIES

The Company

Name of company (Country of incorporation / place of business)	Principal activities	Percentage of equity held		Cost of investment	
		2009 %	2008 %	**2009 USD**	2008 USD
Certus Investment & Trading (S) Pvt. Ltd. (Singapore)	Trading	100%	100%	1,875,339	1,875,339
* Proteus Petrochemicals Private Limited (formerly known as TPL India Singapore Pvt. Ltd) (Singapore)	Manufacture of Normal Paraffin (petrochemicals)	100%	100%	300,000	300,000
				2,175,339	2,175,339

*** Audited by another firm of accountants**

7. INVESTMENT IN ASSOCIATE COMPANY

The Group and Company

Name of company (Country of incorporation / place of business)	Principal activities	Percentage of equity held		Cost of investment	
		2009 %	2008 %	**2009 USD**	2008 USD
Gulf Petroproduct Company E.C. + (Bahrain)	Petroproducts	**50**	50	**430,000**	430,000

+ Audited by another firm of accountants

The associate company has an accumulated loss of USD 71,349 as at 31 December 2009-(2008: USD 67,774) as it is yet to generate revenue and is in project work in progress stage. Considering the stage of the project of the associate company, equity method of accounting is not adopted in the consolidated financial statements. The net equity of the associate company as on 31 December 2009 is USD 788,651 (2008: USD 792,226).

8. TRADE AND OTHER RECEIVABLES

The Group

	2009 USD	2008 USD
Trade receivables	**971,289**	3,811,470
Other receivables	**132,770**	81,459
Due from associate company	**139,515**	120,210
Short term advance	**6,095,180**	3,000,000
	7,338,754	7,013,139

The Group has made an application for shares in Gulf Petroproducts Company E.C for which shares have not been allotted. The short term advance is interest fee, unsecured and receivable on demand.

The Company

	2009 USD	2008 USD
Due from subsidiary companies	**10,985,114**	4,814,540
Due from associate company	**139,515**	120,210
	11,124,629	4,934,750

The Company has made an application for shares in Gulf Petroproducts Company E.C and Certus Investment & Trading (S) Pte Ltd and Proteus Petrochemicals Private Limited for which shares have not been allotted.

9. CASH & CASH EQUIVALENTS

The Group

	2009 USD	2008 USD
Cash in hand	**714**	349
Cash at bank-current	**3,152,946**	310,229
Fixed deposits and other investments	**11,048,357**	14,990,000
	14,202,017	15,300,578

The Company

	2009 USD	2008 USD
Cash at bank-current	**1,413,663**	54,873
Fixed deposits and other investments	**7,304,402**	14,990,000
	8,718,065	15,044,873

10. SHARE CAPITAL

The Group and the Company

	2009 USD	2008 USD
Issued and fully paid with no par value		
204,190 ordinary shares of USD 100 each	**20,419,000**	20,419,000

11. TRADE AND OTHER PAYABLES

The Group

	2009 USD	2008 USD
Trade payables-ultimate holding company	**2,097,027**	2,196,301
Other payables-ultimate holding company	**45,754**	44,659
Other payables-third party	**1,028,819**	785,491
	3,171,600	3,026,451

Trade payables to the ultimate holding company are unsecured, interest free and have no fixed terms of repayment.

The Company

	2009 USD	2008 USD
Due to subsidiary company (unsecured, interest free)	-	97,027
Other payables	**89,576**	169,575
	89,576	266,602

12. TAXATION

a) Income tax rate

The Company, under current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign sourced income thus reducing the maximum tax rate to 3%.The Company has received a certificate from the Mauritius Revenue Authority that it is a tax resident of Mauritius

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

For the year under review, the Company has made a tax provision of USD 1,575.

b) Taxation

The Group

	2009 USD	2008 USD
Current year	**1,915**	12,716

b) Taxation

The Company

	2009 USD	2008 USD
Current year	**1,575**	12,380

c) **Provision for taxation**

The Group

	2009 USD	2008 USD
Balance as at beginning of the year	**12,380**	25,722
Charge for the year	**1,845**	12,716
Payment during the year	**(12,310)**	(26,058)
	1,915	12,380

The Company

	2009 USD	2008 USD
Balance as at beginning of the year	**12,380**	25,722
Charge for the year	**1,575**	12,380
Payment during the year	**(12,380)**	(25,722)
	1,575	12,380

13. RELATED PARTY TRANSACTIONS

The Group

	2009 USD	2008 USD
Purchase of goods from holding company	**4,897,327**	1,256,584
International Financial Services Limited		
Directors' and secretarial fees	**4,000**	4,000
Administrative expenses	**3,934**	3,315
	7,934	7,315

14. HOLDING AND ULTIMATE HOLDING COMPANY

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

Certus Investment And Trading(S) Private Limited

Co. Reg. No. 2004-14622-K

(Incorporated in the Republic of Singapore)

Fifth Annual Report &
Financial Statements for the Year ended
31 December 2009

CONTENTS

MANAGEMENT AND ADMINISTRATION

DIRECTORS	:	James Methodius Maya Devi
SECRETARY	:	James Methodius 101 Kitchener Road #03-42 Jalan Besar Plaza Singapore 208511
REGISTERED OFFICE	:	31 Cantonment Road Singapore 089747
AUDITORS	:	Sashi Kala Devi Associates Public Accountants & Certified Public Accountants 31 Cantonment Road Singapore 089747

NOTICE

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Members of the Company will be held at 31 Cantonment Road, Singapore 089747 on the 7th day of June 2010 at 10.00 a.m. to transact the following business:

1. To receive and consider the Directors' Report and Audited Accounts for the year ended 31st December 2009 and the Auditor's Report thereon.
2. To re-elect the retiring directors under Articles of Association.
3. To re-appoint Sashi Kala Devi Associates as Auditors of the Company and to authorize the Directors to fix their remuneration.
4. To transact any other business that may be properly conducted at the Annual General Meeting.

By order of the Board

James Methodius S/o Cyril Methodis
Secretary

Singapore : 05 May 2010

NOTE

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

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the Company for the year ended 31December 2009.

1. Directors

The directors holding office at the date of this report are:

James Methodius S/O Cyril Methodis
Maya Devi D/O S. Renganathan

2. Directors' Interests in Shares and Debentures

None of the directors holding office at the end of the financial year had any interests in the share capital of the company as per the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act.

3. Arrangements to enable Directors to acquire Benefits By means of the Acquisition of shares and debentures

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects 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.

4. Directors' Receipt of and entitlement to contractual Benefits

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

5. Share Options

During the year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, Sashi Kala Devi Associates, Certified Public Accountants, have indicated their willingness to accept re-appointment.

On behalf of the Directors
James Methodius S/O Cyril Methodis
Maya Devi D/O S. Renganathan
Directors

Date: 05 May, 2010

STATEMENT BY DIRECTORS

In the opinion of the directors, (a) the financial statements set out on pages 6 to 19 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and of the results, changes in equity and cashflows of the Company for the financial year ended on that date; and (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors
James Methodius S/O Cyril Methodis
Maya Devi D/O S. Renganathan
Directors

Date: 05 May, 2010

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

We have audited the accompanying financial statements of Certurs Investment And Trading (S) Private Limited, set out on pages 6 to 19, which comprise the balance sheet as at 3I December 2009, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap.50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statement and balance sheet and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion,

(a) the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2009 and of the results, changes in equity and cash flows of the company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Sashi Kala Devi Associates
Public Accountants and
Certified Public Accountants
Singapore

Date : 05 May, 2010

BALANCE SHEET AS AT 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
ASSETS			
Non current assets			
Computer equipment	4	**-**	-
Capital project in progress	5	**383,109**	383,109
		383,109	383,109
Current assets			
Trade receivables	6	**971,289**	3,811,470
Due from immediate holding company	7	**-**	97,027
Due from a related company		**-**	11,228
Short term advance	8	**6,095,180**	3,000,000
Cash & cash equivalents	9	**62,810**	77,351
		7,129,279	6,997,076
Total assets		**7,512,388**	7,380,185
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	**1,875,340**	1,875,340
Accumulated loss / Retained earnings		**(76,261)**	(65,640)
Exchange reserve		**14,831**	14,831
		1,813,910	1,824,531
Current liabilities			
Trade payable	11	**2,097,027**	2,196,301
Other payables and accruals	12	**16,883**	16,528
Due to a related company	13	**88,771**	100,000
Due to immediate holding company	7	**3,495,797**	3,242,825
		5,698,478	5,555,654
Total equity and liabilities		**7,512,388**	7,380,185

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
Revenue		**4,902,327**	1,261,894
Other income — Interest		**-**	149
Raw material and consumables used		**(4,897,327)**	(1,256,584)
Other operating expenses		**(15,621)**	(125,436)
(Loss) before taxation	14	**(10,621)**	(119,977)
Taxation	15	**-**	-
(Loss) after taxation		**(10,621)**	(119,977)

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital USD	Retained Earnings USD	Total USD
Balance at 31-12-2007	1,875,340	54,337	1,929,677
Loss for the year	-	(119,977)	(119,977)
Balance at 31-12-2008	1,875,340	(65,640)	1,809,700
Loss for the year	-	(10,621)	(10,621)
Balance at 31-12-2009	1,875,340	(76,261)	1,799,079

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 USD	2008 USD
Cash flows from operating activities			
(Loss) before taxation		**(10,621)**	(119,977)
Adjustment:			
Interest received		**-**	(149)
Operating cash flow before working capital changes		**(10,621)**	(120,126)
Changes in working capital			
Decrease in trade receivables		**2,840,181**	834,438
Decrease in trade payables		**(99,274)**	(715,769)
Increase in other payables and accruals		**355**	(7,915)
Cash generated from operating activities		**2,730,641**	(9,372)
Cash flows from investing activities			
Decrease in amount due from immediate holding company		**97,027**	(5,250)
Decrease in amount due from related company		**11,228**	(11,228)
Increase in short term advance		**(3,095,180)**	-
Decrease in amount due to related company		**(11,229)**	47,167
Increase in amount due to immediate holding company		**252,972**	-
Interest received		**-**	149
Net cash from/(used in) financing activities		**(2,745,182)**	30,838
Net Cash & cash equivalents at end of year		**(14,541)**	21,466
Cash & cash equivalents at the beginning of the year		**77,351**	55,885
Cash & cash equivalents at the end of the year	9	**62,810**	77,351

See accompanying notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 DECEMBER 2009

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

1. GENERAL

The Company is a private company limited by shares. The Company is incorporated and domiciled in the Republic of Singapore.

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

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

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

These financial statements of the Company for the fmancial year ended 31 December 2009 were authorised for issue by the Board of Directors on 05 May 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS'') that are relevant to its operations and effective for annual periods since the beginning of the financial year. The adoption of these new revised FRS and INT FRS does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The Company is currently evaluating the provisions of new/revised FRS and INT FRS and amendments to FRS that were issued at the date of authorisation of these financial statements but which are not yet effective till future periods. Preliminary assessment by the Company indicates that the adoption of these FRS, INT FRS and amendments to FRS will have no material impact on the financial statements of the Company in the period of their initial adoption.

The preparation of financial statements in conformity with FRS requires management to exercise its judgements in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and involve a higher degree of judgement or complexity are separately disclosed when necessary.

b. Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when 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 income statement 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 payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Impairment of financial assets - Financial assets are assessed for indicators of impairment at each balance sheet date. 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 futnre cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

(ii) Financial liabilities and equity instruments

Classification as debt or equity - Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments - An equity instrument is any contract that evidences a residual interest in the assets of the 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. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with 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 of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through 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 income statement over the guarantee period on a straight-line basis.

(c) Impairment of non-financial assets

At each balance sheet date, 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 Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Where 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 income statement.

(d) Property, plant and equipment

Property, 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
Computers	-	3

The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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

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

e. Cash and cash equivalents

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

f. Related party

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.

g. Provisions

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

h. 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.

Sale of goods

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

(i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

(ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;

(iii) the amount of 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.

Rendering of services

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

Interest income

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

(i) 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 income statement in the period in which they are incurred.

(j) Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit reported in the income statement 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 Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

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 computing taxable profit, and is accounted for using the balance sheet 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 deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

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 the balance sheet date. Deferred tax is charged or credited to the income statement, 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 Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the income statement, 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 good will or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

(k) Functional and foreign currency

Functional currency

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

Foreign currency transactions

Transactions in currencies other than the Company's functional currency are recorded at exchanges rates approximating those prevailing on the transaction dates. At each balance sheet date monetary assets and liabilities denominated in foreign currencies retranslated at the rates of exchange prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in a foreign currency are retranslated using the exchange rates at the date when the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items at the balance sheet date are recognised in the income statement. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

3. Financial risks and Management

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

Foreign currency risk

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

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

Credit risk

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

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

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

Interest rate risk

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

Liquidity risks

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

Fair value of financial assets and financial liabilities

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

4. COMPUTER EQUIPMENT

	Computer US$
Cost	
As at 1.1.2008	1,409
Additions	-
As at 31.12.2008	1,409
Additions	-
As at 31.12.2009	1,409
Accumulated Depreciation	
As at 1.1.2008	1,409
Impairment Loss	-
As at 31.12.2008	1,409
Impairment Loss	-
As at 31.12.2009	1,409
Carrying amount	
As at 31.12.2009	-
As at 31.12.2008	-

5. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of a normal paraffin plant. On signing of the shell supply agreement, the project will start in year 2010 and expected date of completion is March 2012. The total expected costs of the project are estimated to be approximately US$140 million.

6. TRADE RECEIVABLE

	2009 USD	2008 USD
Trade receivable from third party	**961,779**	3,806,960
Trade receivable from ultimate holding company	**9,510**	4,510
	971,289	3,811,470

Trade and other receivables are non-interest bearing and are generally on 30-90 days term and are initially recognised at their invoiced amounts, which represent their fair values. They are subsequently measured at amortised cost using the effective interest method, less allowance for uncollectible amounts.

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

7. DUE FROM/DUE TO IMMEDIATE HOLDING COMPANY

The immediate holding company is Certus Investment & Trading Limited a company incorporated in Mauritius. The ultimate holding company is Tamilnadu Petroproducts Limited, a Company incorporated in India.

The amount owing from / due to immediate holding company is non trade, unsecured, interest free, and receivable on demand.

8. SHORT TERM ADVANCE

The interest fee; unsecured short term advance is receivable on demand.

9. CASH EQUIVALENTS

	2009 USD	2008 USD
Cash in hand	**1**	1
Cash at bank	**62,809**	77,350
	62,810	77,351

Cash and cash equivalents are denominated in the following currencies

	2009 USD	2008 USD
Singapore Dollar	**5,112**	2,912
United States Dollar	**57,698**	74,438
	62,810	77,350

The carrying amounts of cash and cash equivalents approximate their fair values.

10. SHARE CAPITAL

	2009 USD	2008 USD
Issued and fully paid with no par value		
1,916,642 Ordinary Shares	**1,875,340**	1,875,340

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

11. TRADE PAYABLE

	2009 USD	2008 USD
Third party	**-**	100,000
Amount due to ultimate holding company	**2,097,027**	2,096,301
	2,097,027	2,196,301

Trade and other payables are non-interest bearing and are generally on 30 - 90 days term and are initially recognised at their invoiced amounts, which represent their fair values. They are subsequently measured at amortised cost using the effective interest method.

The amounts owing to related parties are unsecured, interest-free and repayable on demand.

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

12. OTHER PAYABLES AND ACCRUALS

	2009 USD	2008 USD
Other payables	**11,228**	11,228
Accruals	**5,655**	5,300
	16,883	16,528

13. AMOUNT DUE TO RELATED COMPANY

Amounts due to related company is non-trade in nature, unsecured, interest free and repayable on demand.

14. (LOSS) FROM OPERATIONS

The following items have been included in arriving at (loss) from operations.

	2009 USD	2008 USD
Audit fee	2,500	2,607
Exchange (Gain)/Loss - trade	154	(2,908)
Interest income	-	149

15. TAXATION

No provision for taxation has been made in the current year as the Company has incurred tax loss. The Company has unabsorbed tax losses and unutilized capital allowances amounting to approximately USD 158,891 (2007:USD 148,116) subject to agreement with local tax authorities. These are available for set-off against any future profits provided that the Company complies with the provisions of the Singapore Income Tax Act in that there is no substantial change in the composition of the shareholders and their shareholdings in the Company at the relevant dates when the tax losses are utilized.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibilities for planning, directing and controlling the activities of the Company. The Board of Directors are considered as key management personnel of the Company.

Other related transactions

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

	2009 USD	2008 USD
Ultimate holding company		
Purchases	4,897,327	1,256,584

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	USD
Sales	4,902,327
Purchases	(4,897,327)
Gross profit	5,000
Less: Other operating expenses	
Audit fee	2,500
Accounting fee	2,000
Bank charges	2,227
Exchange gain - capital	(154)
Miscellaneous	125
Printing & stationery	105
Postage	68
Registered office	217
Secretarial fee	2,222
Service Charge	3,471
Telecom expenses	2,040
Tax fee	800
	(15,621)
Loss before taxation	(10,621)

The above statement does not form part of the audited statutory accounts of the company.

PROTEUS PETROCHEMICALS PRIVATE LIMITED

Incorporated in Singapore

Third Annual Report &
Financial Statements
for the Year ended 31 December 2009

CONTENTS

GENERAL INFORMATION

DIRECTOR	:	Ashwin Chidambaram Muthiah
COMPANY SECRETARY	:	Cheng Lian Siang
REGISTERED OFFICE	:	3 Phillip Street #18-00 Commerce Point Singapore 048693
INDEPENDENT AUDITORS	:	Shanker Iyer & Co.

NOTICE

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on 22 June 2010 at 10.00 a.m at 8 Temasek Boulevard #17-03 Suntec Tower 3 Singapore 038988 for the following purposes:

AGENDA

1 To receive and adopt the Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Director and the Auditors thereon.

2 To approve Director's fee and other remuneration (if any) as shown in the accounts.

3 To re-appoint Auditors and to authorise the directors to fix their remuneration.

4 To transact any other matters appropriate to be transacted at an Annual General Meeting.

By order of the Board

Cheng Lian Siang
Secretary

Dated, Singapore, 7th day of June 2010

NOTE : *A Corporation which is a member of the Company may, by resolutions of its directors, authorise any person to act as its representative at any meetings of the Company. Such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual member of the Company.*

DIRECTOR'S REPORT

The director presents his report to the member together with the audited financial statements of the company for the financial year ended 31 December 2009.

DIRECTOR

The director in office at the date of this report is: Ashwin Chidambaram Muthiah

ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTOR'S INTEREST IN SHARES AND DEBENTURES

None of the director holding office at the end of the financial year had any interest in shares or debentures of the company or its related corporations at the beginning and end of the financial year as recorded in the register of directors' shareholdings kept by the company under section 164 of the Singapore Companies Act.

DIRECTOR'S CONTRACTUAL BENEFITS

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

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company. No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company. There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, has expressed its willingness to accept re-appointment.

Ashwin Chidambaram Muthiah
10 March 2010 Director

STATEMENT BY DIRECTOR

In the opinion of the director,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2009 and of its results, changes in equity and cash flows for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

The director authorised these financial statements for issue on 10 March 2010.

Ashwin Chidambaram Muthiah
10 March 2010 Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PROTEUS PETROCHEMICALS PRIVATE LIMITED (Incorporated in Singapore)

We have audited the accompanying financial statements of PROTEUS PETROCHEMICALS PRIVATE LIMITED (the "company") as set out on pages 7 to 30, which comprise the statement of financial position as at 3l December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion,

(a) the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 December 2009 and of its results, changes in equity and cash flows for the financial year ended on that date; and

(b) 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.

SHANKER IYER & CO
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
10 March 2010

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

	NOTES	2009 S$	2008 S$
ASSETS			
Current assets			
Cash and cash equivalents	4	**7,608,030**	256,687
Other receivables	5	**186,330**	117,236
Amounts owing by a related company	6	**124,733**	128,066
		7,919,093	501,989
Non-current assets			
Plant and equipment	7	**58,525**	5,768
Capital project in progress	8	**4,486,820**	2,972,029
Total assets		**12,464,438**	3,479,786
LIABILITIES			
Current liabilities			
Other payables	9	**1,292,154**	862,639
Amounts owing to ultimate holding company	10	**64,211**	64,274
Amounts owing to immediate holding company	11	**-**	2,266,665
Provision for taxation		**477**	-
Total liabilities		**1,356,842**	3,193,578
NET CURRENT ASSETS/(LIABILITIES)		**6,562,251**	(2,691,589)
NET ASSETS		**11,107,596**	286,208
SHAREHOLDER'S EQUITY			
Share capital	12	**461,800**	461,800
Equity loans	13	**10,528,641**	-
Retained profit/(accumulated losses)		**117,155**	(175,592)
TOTAL EQUITY		**11,107,596**	286,208

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 S$	2008 S$
REVENUE			
Other income	14	**322,007**	1,627
Total revenue		**322,007**	1,627
COSTS AND EXPENSES			
Depreciation of plant and equipment	7	**4,475**	959
Exchange loss		**-**	25,123
Operating expenses	15	**24,392**	14,201
Total costs and expenses		**28,867**	40,283
Profit/(Loss) before income tax		**293,140**	(38,656)
Income tax expense	16	**(393)**	(473)
Total comprehensive income/(loss) for the year		**292,747**	(39,129)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital	Retained profit/ (accumulated losses)	Equity loan	Total
	S$	S$	S$	S$
2009				
Balance as at 1 January 2009	**461,800**	**(175,592)**	**-**	**286,208**
Total comprehensive income for the year	**-**	**292,747**	**-**	**292,747**
Transferred from amount owing to immediate holding company	**-**	**-**	**10,528,641**	**10,528,641**
Balance as at 31 December 2009	**461,800**	**117,155**	**10,528,641**	**11,107,596**
2008				
Balance as at 1 January 2008	461,800	(136,463)	-	325,337
Total comprehensive loss for the year	-	(39,129)	-	(39,129)
Balance as at 31 December 2008	461,800	(175,592)	-	286,208

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2009

	NOTE	2009 S$	2008 S$
Operating activities			
Profit/(Loss)before taxation		**293,140**	(38,656)
Adjustments for:			
Depreciation of plant and equipment	7	**4,475**	959
Exchange (gain)/loss		**(286,011)**	25,123
Interest income		**(25,656)**	-
Change in working capital:		**(14,052)**	(12,574)
Other receivables		**(69,094)**	(114,436)
Amounts owing by a related company		**(3,333)**	(51,987)
Other payables		**429,515**	749,615
Cash generated from operating activities		**349,702**	570,618
Exchange gain/(loss)		**286,011**	(25,123)
Interest received		**25,656**	-
Tax refund/(paid)		**84**	(473)
Net cash generated from operating activities		**661,453**	545,022
Investing activities			
Purchase of plant and equipment	7	**(57,232)**	(5,093)
Addition of capital project in progress	8	**(1,514,791)**	(2,171,216)
Net cash used in investing activities		**(1,572,023)**	(2,176,309)
Financing activities			
Equity loan		**10,528,641**	-
Advances from immediate holding company		**(2,266,665)**	1,253,975
Repayment of advance from ultimate holding company		**(63)**	(39,904)
Net cash generated from financing activities		**8,261,913**	1,214,071
Net increase/(decrease) in cash and cash equivalents		**7,351,343**	(417,216)
Cash and cash equivalents at the beginning of the year		**256,687**	673,903
Cash and cash equivalents at the end of the year	4	**7,608,030**	256,687

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

1. CORPORATE INFORMATION

Proteus Petrochemicals Private Limited (Company Registration No.: 200606866R) is domiciled in Singapore. The company's principal place of business is at 8 Temasek Boulevard, #17-03 Suntec Tower 3, Singapore.

The principal activity of the company is to establish and operate a normal paraffin (NP) plant. There have been no significant changes in the nature of these activities during the financial year. The company has not commenced operations since its incorporation. However, the company is currently involved in arranging for financing for the establishment of a normal paraffin plant. On signing of the Shell Supply Agreement, the project will start in year 2010 and expected date of completion is March 2012, with expected cost to complete of US$140 million.

The financial statements of Proteus Petrochemicals Private Limited as at 31 December 2009 and for the year then ended were authorised and approved by the Director for issuance on 10 March 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

In the current financial period, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements, except for the revised FRS 1 which has changed the basis for preparation and structure of the financial statements. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs.

At the date of authorisation of these financial statements, the company has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expect the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) Currency translation

The financial statements of the company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in Singapore dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximate to those ruling at the end of reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the income statement for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the income statement for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

c) Plant and equipment

(i) Measurement

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

Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

(ii) **Depreciation**

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers	3 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting date. The effects of any revision are recognised in the comprehensive income statement when the changes arise.

(iii) **Subsequent expenditure**

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

(iv) **Disposal**

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

d) Capital project in progress

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

e) Financial instruments

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

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. It exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

f) Financial assets

i) Classification

The company classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of reporting date which are presented as non-current assets. Loans and receivables are presented as "other receivables" and "cash and cash equivalents" on the statement of financial position.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method less allowance for impairment.

(v) Impairment

The company assesses at the end of each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

g) Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, cash at bank and fixed deposits.

h) Other payables

Other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method. Refer to the above for the definition of effective interest rate method.

i) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimation.

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 the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise.

j) Impairment of non-financial assets

Plant and equipment.

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment is also credited to the statement of comprehensive income.

k) Leases

The company leases office space under operating leases from non-related parties.

Lessee - Operating leases

Leases of office space where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

l) Government grants

Job Credit Scheme

Cash grants received by from the government in relation to the Job Credit Scheme are recognised as income upon receipt.

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:

Interest income is recognised on a time proportionate basis.

0) Income tax

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

ii) based on the tax consequence that will follow from the manner in which the company expects, at the end of reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the statement of comprehensive income.

p) Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates and judgments in applying the accounting policies. These estimates and judgments 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. Actual results may differ from these estimates. The following is the significant accounting estimates and judgments for preparation of financial statements:

(a) Depreciation of plant and equipment

The Company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect management's estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the Company's plant and equipment as at the end of each reporting date were disclosed in Note 7 to the financial statements.

(b) Income taxes

The Company has exposure to income taxes in countries where it operates. Judgement is involved in determining the Company's provision for income taxes. The Company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. At 31 December 2009, the carrying amounts of the Company's current income tax payable is disclosed in the statement of financial position.

4. CASH AND CASH EQUIVALENTS

	2009	2008
	S$	S$
Cash on hand	**1,000**	500
Cash at bank	**2,352,763**	256,187
Fixed deposits	**5,254,267**	-
	7,608,030	256,687

The average maturity of fixed deposits is 3 months from the end of the financial year and the interest rate approximates from 0.05 % to 1.25% per annum.

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2009	2008
	S$	S$
Singapore dollars	**2,103,823**	206,444
United States dollars	**5,504,207**	50,243
	7,608,030	256,687

5. OTHER RECEIVABLES

	2009	2008
	S$	S$
Deposits for plant and equipment	**182,572**	116,594
Prepayment	**755**	642
Interest receivable	**3,003**	**-**
	186,330	117,236

Deposits mainly represent deposits for land rental at Jurong Island for S$113,694 and for plant and equipment of S$63,878.

The carrying amounts of other receivables approximate their fair values and are denominated in the following currencies:

	2009	2008
	S$	S$
Singapore dollars	**122,317**	117,236
United States dollars	**64,013**	-
	186,330	117,236

6. AMOUNTS OWING BY A RELATED COMPANY

Amounts owing by a related company are non-trade in nature, unsecured, interest-free and are repayable within the next twelve months.

The carrying amounts owing by a related company approximate their fair values and are denominated in United States dollars.

7. PLANT AND EQUIPMENT

	Computers S$
2009 Cost	
At 1 January 2009	**7,121**
Additions	**57,232**
At 31 December 2009	**64,353**
Accumulated depreciation	
At 1 January 2009	**1,353**
Charge for the year	**4,475**
At 31 December 2009	**5,828**
Net Book Value	
At 31 December 2009	**58,525**
2008 Cost	
At 1 January 2008	2,028
Additions	5,093
At 31 December 2008	7,121
Accumulated depreciation	
At 1 January 2008	394
Charge for the year	959
At 31 December 2008	1,353
Net Book Value	
At 31 December 2008	5,768

8. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards the construction of a normal paraffin plant. On signing of the Shell Supply Agreement, the project will start in year 2010 and expected date of completion is March 2012. The total expected costs of the project are estimated to be approximately US$140 million.

9. OTHER PAYABLES

	2009 S$	2008 S$
Accruals for operating expenses	**57,886**	9,452
Other creditors	**1,234,268**	853,187
	1,292,154	862,639

Other payables represent payables for professional fees with regard to the financing of the Normal Paraffin project plant.

The carrying amounts of other payables approximate their fair values and are denominated in the following currencies:

	2009 S$	2008 S$
Singapore dollars	**496,466**	189,956
United States dollars	**795,688**	672,683
	1,292,154	862,639

10. AMOUNTS OWING TO ULTIMATE HOLDING COMPANY

Amounts owing to ultimate holding company are non-trade in nature, unsecured, interest-free and are repayable within the next twelve months.

The carrying amounts owing to ultimate holding company approximate their fair values and are denominated in the following currencies:

	2009	2008
	S$	S$
Singapore dollars	33,444	32,685
United States dollars	30,767	31,589
	64,211	64,274

11. AMOUNTS OWING TO IMMEDIATE HOLDING COMPANY

The amounts owing to immediate holding company are non-trade in nature, unsecured, interest free, repayable within the next twelve months and are denominated in the following currencies:

	2009	2008
	S$	S$
Singapore dollars	-	-
Indian rupees	-	210,903
United States dollars	-	2,055,762
	-	2,266,665

The carrying amounts owing to immediate holding company approximate their fair values.

12. SHARE CAPITAL

	2009	2008	2009	2008
	Number of ordinary shares		S$	S$
Issued				
At the beginning and the end of the year	461,800	461,800	461,800	461,800

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meeting of the company. All shares rank equally with regard to company's residual assets.

13. EQUITY LOANS

Equity loans represent advances received from shareholders for the acquisition of shares in the company and payment of project expenses of the company. These loans are not repayable and will be converted into share capital.

14. OTHER INCOME

	2009	2008
	S$	S$
Exchange gain	286,011	-
Interest income on fixed deposits	25,656	-
Interest income from current accounts	-	1,627
Government grant - Jobs credit scheme	10,340	
	322,007	1,6,27

The Jobs credit scheme is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The Jobs Credit will be paid to eligible employers in 2009 in four payments and the amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme.

15. OPERATING EXPENSES

	2009	2008
	S$	S$
Bank charges	**387**	1,017
Telephone expenses	**10,487**	8,450
Others	**13,518**	4,734
	24,392	14,201

16. INCOME TAX EXPENSE

	2009	2008
	S$	S$
Current year's provision	**477**	-
(Over)/under provision in prior period	**(84)**	473
	393	473

The current year income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2008:18%) to profit/(loss) before income tax as a result ofthe following differences:

	2009	2008
	S$	S$
Accounting profit/(loss)	**293,140**	(38,656)
Income tax benefit/(expenses) at statutory rate	**49,834**	(6,958)
Exempt income	**(817)**	-
Non (taxable)/deductible items	**(48,540)**	6,958
(Over)/under provision in prior period	**(84)**	473
	393	473

17. OPERATING LEASE COMMITMENTS

At the balance sheet date, the company has the following commitments in respect of operating leases:

	2009	2008
	S$	S$
Due within one year	**2,375**	5,525
	2,375	5,525

18. COMMITMENT TO LEASED LAND

The company paid a booking fee towards reservation for land of S$ 106,256 and has the following commitment with the landlord:

a) to invest on the land at least S$460,632,000 comprising S$166,632,000 within the initial license term,

b) to develop at least 55% of the total land area; and

c) to pay annual rental for the next 30 years.

The initial lease term is for 30 years with the option for a further term of 30 years.

The annual rental from 1 July 2008 to 30 June 2010 will be waived.

At the balance sheet date, the company has the following commitments in respect of operating leases:

	2009	2008
	S$	S$
Due within one year	**637,538**	-
Due within two to five years	**4,462,764**	3,822,342
Due after five years	**29,964,272**	31,215,791
	35,064,574	35,038,133

19. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The immediate holding company is Certus Investment & Trading Limited, a company incorporated in the Republic of Mauritius and the ultimate holding company is Tamilnadu Petroproducts Limited, a company incorporated in India.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

An entity or individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year, the company had transactions with the holding and related companies on terms agreed between them with respect to the following:

	2009	2008
	S$	S$
Capital project in progress paid by immediate holding company	**66,318**	210,903
Advance from immediate holding company	**8,999,000**	-
Capital project in progress paid by ultimate holding company	-	63,158
Capital project in progress paid by a related company	-	16,198
Advances to a related company	-	70,778

21. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risks

i) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The company do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions, except for transaction in Singapore dollars which are being use for payment of capital project in progress.

The company's currency exposure to United States dollars is as follows:

	2009	**2008**
	S$	**S$**
Financial assets		
Cash and Cash equivalents	**5,504,207**	50,243
Other receivables	**64,013**	-
Amounts owing by a related company	**124,733**	128,066
	5,692,953	178,309
Financial liabilities		
Other payables	**(795,688)**	(672,683)
Amounts owing to ultimate holding company	**(30,767)**	(31,589)
Amounts owing to immediate holding company	**-**	(2,055,762)
	(826,455)	(2,760,034)
Currency exposure	**4,866,498**	(2,581,725)

At 31 December 2009, if the US$ had strengthened/weakened by 5% (2008: 6%) against the S$ with all other variables including tax rate being held constant, the company's loss after tax for the financial year would have been S$243,325 (2008: S$154,904) higher/lower as a result of currency translation gains/losses on the remaining US$ denominated financial assets and liabilities.

ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates except for cash and cash equivalents as disclosed in note 4 of the financial statements.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are other receivables and cash and cash equivalents. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to close out market positions at a short notice. At the end of each reporting date, assets held by the Company for managing liquidity risk included cash and cash equivalents as disclosed in note 4.

The company has significant liquidity risk in view of the excess of total current liabilities over total current assets. The company manages its liquidity risk through funds from its immediate holding company which has undertaken to provide continuing financial support until such time as the company is able to operate on its own financial resources.

(d) Fair values measurement

The carrying amounts of cash and cash equivalents, other receivables, amount owing by a related company, other payables and amount owing to ultimate holding company approximate their fair values due to their short-term nature.

22. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2009	2008
	S$	S$
Net (fund)/debt	**(6,251,665)**	2,936,891
Total equity	**11,107,596**	286,208
Total capital	**4,855,931**	3,223,099
Gearing ratio	**128**	0.91

The company is not subject to externally imposed capital requirements.

SEPC

SPIC ELECTRIC POWER CORPORATION PRIVATE LIMITED

(A Subsidiary of Tamilnadu Petroproducts Limited)

FIFTEENTH ANNUAL REPORT
2009 - 2010

CONTENTS

Board of Directors

RM. Muthukaruppan
Director

V. Ramani
Director

L.P. Sashikumar
Director

R. Soundararajan
Director

REGISTERED OFFICE

"SPIC House"
88, Mount Road,
Guindy
Chennai - 600 032.

AUDITORS

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

BANKERS

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

NOTICE FOR THE 15TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 15th Annual General Meeting of the Members of SPIC Electric Power Corporation Private Limited will be held at 10.00 a.m. on Monday the 23rd August 2010 at the Registered Office of the Company at "SPIC House", 88, Mount Road, Guindy, Chennai – 600 032.

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet of the Company as at 31st March 2010 and Statement of accounts for the year ended 31st March 2010 and reports of Directors and Auditors thereon.

2. To appoint a Director in the place of Thiru RM. Muthukaruppan, who retires by rotation and being eligible offers himself for re-election.

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

   "RESOLVED THAT M/s. Raman Associate, Chartered Accountants, the retiring Auditors be and are hereby re-appointed as Statutory Auditors of the Company to hold office until the conclusion of the 16th Annual General Meeting of the Company on a remuneration of Rs. 30,000/- (Rupees Thirty thousand only) plus reimbursement of out-of-pocket expenses and levies such as service tax etc., in connection with the Audit of Accounts of the Company.

SPECIAL BUSINESS

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

   "RESOLVED THAT Thiru L.P. Sashikumar be and is hereby appointed as Director of the Company, liable to retirement by rotation."

(By Order of the Board)
for SPIC Electric Power Corporation Private Limited

Registered Office:
88, Mount Road, Guindy,
Chennai – 600 032.
23rd July 2010.

(R. SOUNDARARAJAN)
DIRECTOR

Notes:

a) A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and on a poll to vote instead of himself and a proxy need not be a Member of the Company. A Member unable to attend may appoint another person (whether a Member or not) as his proxy in the enclosed form. The instrument appointing the proxy shall be deposited at the principal office of the Company not less than forty-eight hours before the time for holding the Meeting, in default, the instrument of proxy shall not be treated as valid.

b) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Resolution set out against Item No. 4 of the Notice is annexed hereto.

c) All the documents referred to in this Notice including the Memorandum and Articles of Association of the Company will be open for inspection by any Member during the Company's business hours on any working day of the Company upto the date of the Meeting.

Explanatory Statement to the Notice pursuant to Section 173(2) of the Companies Act, 1956

Item No. 4

A Shareholders and Share Subscription Agreement (SSA) was executed on 28th May 2009 between your Company, M/s. Tamilnadu Petroproducts Limited and M/s. Goldstone Exports Limited, [(presently known as M/s. Trinity Infraventures Ltd. (TIL)] for implementation of the 525 MW Tuticorin Power Project. As per Section 7.2 of the SSA, TIL is entitled to nominate a Director immediately after execution of SSA. TIL therefore nominated Thiru L.P. Sashikumar as its representative on the Board of your Company and he was appointed as Director under Section 260 of the Companies Act, 1956 (the Act) on 18th July 2009. Thiru Sashikumar shall hold office upto the date of the 15th Annual General Meeting. The Company has received notice under Section 257 of the Act, from TIL proposing Thiru L.P. Sashikumar for appointment as Director liable for retirement by rotation alongwith a deposit of Rs. 500/-. Hence the proposed resolution.

None of the Directors except Thiru L.P. Sashikumar is interested in the resolution.

(By Order of the Board)
for SPIC Electric Power Corporation Private Limited

Chennai – 600 032.
23rd July 2010.

(R. SOUNDARARAJAN)
DIRECTOR

DIRECTORS' REPORT

To

The Members

Your Directors wish to present the Fifteenth Annual Report on the operations of your Company and the audited Accounts for the year ended 31st March 2010.

Power Scenario in Tamilnadu

The Demand for electrical energy continues to outstrip the supply. The gap between supply and demand in Tamilnadu had galloped in the recent years owing to lack of capacity additions in the recent past. This has led to introduction of steep power cuts for Industrial units and Commercial establishments and additional service load restrictions during lighting peak hours for all of them. In addition there are scheduled load shedding and unscheduled black outs through out the grid. The restricted energy demand is continuing to grow at the rate of about 15% Compound Annual Growth Rate. The State of Tamil Nadu is presently buying power from far away states like J & K, Himachal Pradesh, Delhi etc leading to very high transmission loss. In addition TNEB is resorting to spot buying from power exchanges at exorbitant price. The long coastal line of the state facilitates development of imported coal based power plants using seawater as main water resource for both cooling and plant water supply. In line with this scenario the state is encouraging private thermal power generation along the long coast of the state and the project developed by your company becomes more relevant.

Project Status

The company has been pursuing with various agencies for moving forward on the project. During the year, the company has been allotted alternate land by Tuticorin Port Trust within Tuticorin Port Estate quite near to the earlier land for which allotment had been cancelled. The terms of allotment remain same as per earlier allotment. TNEB has also issued letter to company expressing TNEB's desire that 1X525 MW Tuticorin Thermal Power Project Stage IV should be set up by SEPC early to meet the power requirement of the state.

For the alternate site, the company has obtained clearance from Aviation Authority of India. The company has also submitted application to the Ministry of Environment and Forest for Environment Clearance to the project at the alternate site. Our proposal for environmental clearance was considered by the Expert Appraisal Committee (Thermal) under Ministry of Environment Forest and grant of Environmental Clearance is in the advanced stage. A clarification has been issued by the concerned Ministry on the validity of the company's Power Purchase Agreement (PPA) with TNEB. The company has engaged technical consultant who have already prepared and submitted the Detailed Project Report.

In the coming year, the company is continuing with its efforts so that project work can commence.

Partners:

In continuation of MOU dated 14.6.2007, a Shareholders and Share Subscription Agreement (SSA) was executed on 27.5.2009 between Tamilnadu Petroproducts Limited, Goldstone Exports Limited (Now named as Trinity Infraventures Limited) with the Company.

As per the terms of the SSA, Trinity Infraventures Limited (TIL) continues to meet the complete current expenses of the Company. Accordingly, TIL have contributed Rs 151.455 Lakhs as of 31st March 2010. Out of this amount, a sum of Rs 151 Lakhs have been transferred to TIL's nominee M/S Goldstone Power Private Limited for allocation of shares of SEPC at Rs 10/- per share and balance Rs 45,500/- is being treated as advance towards share capital in the books of SEPC as per terms of the SSA.

Directors

In accordance with the provisions of the Companies Act, 1956 Thiru RM Muthukaruppan Director retires by rotation and is eligible for re-appointment.

The details of changes in the composition of the Board of Directors since the date of last Directors' Report are given below:

Mr.K.M. Kaveri Mudali submitted his resignation as Director and Whole-time Director (Technical) vide his letter dated 10th June 2009. The Board of Directors accepted the letter of resignation consequent to the expiry of term of his appointment on 15th June 2009. The Board of Directors wish to place on record their appreciation of the valuable services rendered by Mr K M Kaveri Mudali as Director during his tenure as Members of the Board.

The Board of Directors by circular resolution dated 18th July 2009 have approved the appointment of Mr L.P Sashi Kumar as Director of the Company representing TIL.

Audit Committee:

Your Company has an Audit Committee of the Board of Directors, the composition, role, functions, and powers of which are in accordance with the requirement of the Companies Act, 1956. The Committee consists of Mr. R.Soundararajan, Mr. V. Ramani and Mr. L.P Sashi Kumar as Members.

Directors' Responsibility Statement

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

(i) in preparing the Annual Accounts for the year ended 31st March 2010 all the applicable accounting standards have been followed.

(ii) accounting policies were adopted and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2010.

(iii) proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud and irregularities have been taken, and

(iv) the Annual Accounts have been prepared on a "going concern" basis.

Auditors

Messrs Raman Associate, Chartered Accountants, Chennai were appointed as Statutory Auditors at the fourteenth Annual General Meeting held on 17th July 2009 retire at the conclusion of the Fifteenth Annual General Meeting and are eligible for re-appointment.

Particulars of Employees

During the year, no employee of your Company was in receipt of remuneration exceeding the sum prescribed under Section 217 (2A) of the Companies Act, 1956. Hence, furnishing of particulars under the Companies (Particulars of Employees) Rules, 1975 does not arise.

Conservation of Energy, Technology Absorption

Disclosure of these particulars is not applicable at this stage.

Foreign Exchange Earnings & Outgo

Earnings	:	NIL
Outgo	:	NIL

Acknowledgement

Your Directors would like to express their thanks for the continued assistance and co-operation received from the Government of India, Government of Tamilnadu, Tamilnadu Electricity Board, Tuticorin Port Trust, Ministry of Environment and Forest, Central Electricity Authority, Electricity Regulatory Commissions, Reserve Bank of India, Financial Institutions & Banks.

Your Directors acknowledge the excellent support extended by promoters namely M/s.Tamilnadu Petroproducts Limited and M/s. Trinity Infraventures Ltd.

Your Directors would also like to thank all the employees of the Company for continuing their unstinted support and dedication.

For and on behalf of the Board of Directors.

Place: Chennai
Date: 23rd July 2010

R. Soundararajan
Director

L.P. Sashikumar
Director

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

We have audited the attached Balance Sheet of M/s. SPIC Electric Power Corporation (Private) Limited, as at 31st March 2010 and also the annexed Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure for the year ended on that date. The financial statements are responsibility of the company management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

(a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of audit;

(b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books of the Company;

(c) The Balance Sheet and Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure referred to in this report are in agreement with the books of account of the Company;

(d) In our opinion, the accounts comply with the accounting standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;

(e) On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, in our opinion, none of the directors is disqualified from being appointed as director u/s. 274(1)(g) of the Companies Act, 1956;

(f) The Company is not covered under section 441A of the Companies Act, 1956 with regard to payment of cess;

(g) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure, together with other notes thereon, give the information required by the Companies Act, 1956 and subject to Note No. B [6] of Notes to Financial Statements, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

    (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010 and

    (ii) In so far as it relates to the Statement of Incidental Expenditure pending Capitalisation / Allocation of the Expenditure incurred during the year ended on that date.

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

Place : Chennai
Date : 30th April 2010

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF SPIC ELECTRIC POWER CORPORATION (PRIVATE) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010

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

Fixed Assets

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

(ii) During the year under review, the Company has disposed some of its assets.

Inventory and its physical verification

(iii) There was no stock of inventory as at 31st March 2010.

Loans granted / taken from related Companies

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

Internal Control

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

Transactions with parties' u/s. 301

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

Public Deposits

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

Internal Audit

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

Cost Records

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

Statutory Dues

(x) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund and Income tax.

(b) According to the information and explanations given to us, the due of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Excise Duty and Cess and other statutory dues, details of dispute is furnished in Note Number B (5) to the Notes on Accounts.

Sick Company

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

Default in dues to Bank / Financial Institutions / Debenture holders

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

Loans and advances made by the Company

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

Nidhi / Mutual Benefit Fund / Chit Funds

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

Record of Shares, Securities

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

Guarantees given by the Company

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

Term Loans and Short-term funds taken

(xvii) No term loans were taken during the year.

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

Preferential allotment of shares

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

Debenture Security

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

Disclosure of end use of funds raised in public issues

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

Frauds noticed

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

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

Place : Chennai
Date : 30th April 2010

BALANCE SHEET AS AT 31ST March, 2010

(All amounts are in thousand Indian Rupees, unless otherwise stated)

	SCHEDULE		As at March 31, 2010		As at March 31, 2009
SOURCE OF FUNDS					
Shareholders' funds					
Share capital	1		**296,550.45**		281,450.45
Advance towards share capital	2		**103,760.45**		107,460.45
			400,310.90		388,910.90
APPLICATION OF FUNDS					
Fixed assets	3				
Original cost		**5,524.95**		5,650.43	
Less : Depreciation		**3,924.82**		3,986.03	
Net book value		**1,600.13**		1,664.40	
Capital work in progress		**38,244.43**		33,804.72	
			39,844.56		35,469.12
Incidental expenditure during construction period pending allocation	4		**487,746.03**		481,453.30
Current assets, loans and advances					
Cash and Bank balances	5	**1,948.98**		87.97	
Loans and advances	6	**12,001.10**		11,945.94	
		13,950.08		12,033.91	
Less : Current liabilities and provisions					
Current liabilities	7	**141,546.73**		140,303.84	
Provision	8	**32.41**		90.97	
		141,579.14		140,394.81	
Net current assets			**(127,629.05)**		(128,360.90)
Miscellaneous expenditure					
(To the extent not written off or adjusted)					
Preliminary expenses			**349.37**		349.37
			400,310.90		388,910.90
Notes to the financial statements	9				

The schedules referred to above form an integral part of the financial statements.

This is the balance sheet referred to in our report of even date

For M/s.Raman Associate
Chartered Accountants

For and on behalf of the Board

R. Soundararajan
Director
V.Ramani
Director

RM. Muthukaruppan
Director
L.P. Sashikumar
Director

G.Vasudevan
Partner
Place: Chennai
Date : 30th April 2010

SCHEDULES TO BALANCE SHEET

(Rs. In 000's)

		As at March 31, 2010	As at March 31, 2009
1.	**SHARE CAPITAL**		
	Authorised	**1,000,000.00**	1,000,000.00
	(100,000,000 equity shares of Rs 10 each)		
	Issued, subscribed and paid-up	**296,550.45**	281,450.45
	(296,55,045 equity shares of Rs 10 each - Previous year 281,45,045 equity shares of Rs 10 each)		
		296,550.45	281,450.45
2.	**ADVANCE TOWARDS SHARE CAPITAL**		
	Tamilnadu Petroproducts Limited	**3,390.99**	3,390.99
	Asia Power Infrastructure Company	**649.65**	649.65
	Others	**99,674.31**	99,674.31
	Trinity Infraventures Limited	**45.50**	3,745.50
		103,760.45	107,460.45

3 FIXED ASSETS

(Rs. In 000's)

	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
Categories	As at 1.04.2009	Additions for the year	Deletions for the year	**As at 31.03.2010**	As at 1.04. 2009	Charge for the year	Deletion for the year	**As at 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Land	1,498.94	-	-	**1,498.94**	-	-	-	**-**	**1,498.94**	1,498.94
Office equipment	2,430.75	43.64	-	**2,474.39**	2,386.72	14.69	-	**2,401.41**	**72.98**	44.03
Furnitures and fitting	1,551.62	-	-	**1,551.62**	1,514.00	9.41	-	**1,523.41**	**28.21**	37.62
Vehicles	169.12	-	169.12	**0.00**	85.33	3.49	88.82	**(0.00)**	**0.00**	83.79
	5,650.43	43.64	169.12	**5,524.95**	3,986.05	27.59	88.82	**3,924.82**	**1,600.13**	1,664.38
Capital work in progress (including capital advances)	-	-	-	**-**	-	-	-	**-**	**38,244.43**	33,804.72
Total	5,650.43	43.64	169.12	**5,524.95**	3,986.05	27.59	88.82	**3,924.82**	**39,844.56**	35,469.10
Previous Year	5,645.83	4.60	-	5,650.43	3,932.19	53.86	-	3,986.05	35,469.09	35,518.34

(Rs. in 000's)

			As at March 31, 2010		During the Year		As at March 31, 2009
4	**INCIDENTAL EXPENDITURE DURING CONSTRUCTION PERIOD PENDING ALLOCATION**						
	Payment to and provision for employees						
	Salaries and allowances	**48,466.56**		1,478.17		46,988.39	
	Contribution to provident and other funds	**3,613.45**		21.84		3,591.61	
	Staff welfare	**5,362.81**		67.05		5,295.76	
			57,442.82		1,567.06		55,875.76
	Repairs and maintenance - general		**3,896.46**		76.71		3,819.75
	Land Lease Rent		**168,527.39**		-		168,527.39
	Rent, rates and taxes		**13,582.58**		412.04		13,170.54
	Professional fees		**161,768.14**		23.17		161,744.97
	Travel		**27,156.76**		539.53		26,617.23
	Directors Sitting fees		**865.00**		90.00		775.00
	Miscellaneous Expenditure		**44,849.53**		3,997.58		40,851.95
	Depreciation		**14,682.02**		27.59		14,654.43
	Loss on sale of asset		**347.62**		-		347.62
	Reversal of expenses payable		**(961.37)**		(440.95)		(520.42)
			492,156.95		6,292.73		485,864.22
	Less : Income						
	Interest on deposits		**(4,410.92)**		-		(4,410.92)
	(Tax deducted on above Rs.0.00 thousands, previous year Rs.0.00 thousands)						
			487,746.03		6,292.73		481,453.30

				As at March 31, 2010		As at March 31, 2009
5	**CASH AND BANK BALANCES**					
	Cash in hand			9.81		1.79
	Bank balances with scheduled banks					
	in current accounts	1,939.17			86.18	
	in deposit account	**-**		1,939.17	-	86.18
				1,948.98		87.97
6	**LOANS AND ADVANCES**					
	Unsecured, considered recoverable					
	Prepaid expenses			**8.45**		14.79
	IT Refund due			**0.69**		0.69
	Advance rent			**11,784.42**		11,910.42
	Other advance			**207.55**		20.04
				12,001.10		11,945.94
7	**CURRENT LIABILITY**					
	Sundry creditors			**3,001.52**		1,637.78
	Other liabilities			**138,545.20**		138,666.06
				141,546.73		140,303.84
8	**PROVISIONS**					
	Provision for taxation (net of advance tax)			**-**		-
	Leave encashment			**32.41**		90.97
				32.41		90.97

9. Notes to Financial Statements

A) Accounting Policies

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

1. Disclosure of Accounting Policies

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

2. Depreciation Accounting

Depreciation is provided on written down value method on pro-rata basis at the rates prescribed by the management on all assets from the date of its capitalization. The rates are based on the mangement's estimate of the economic useful life of the asset. Depreciation on assets added, sold or discarded during the year has been provided on pro-rata basis. The rates for various assets are as follows:

Particulars	**Rate %**
Office Equipment and Furniture	25
Computers and Data Processing Machines	40
Vehicles	20

3. Revenue Recognition

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

4. Accounting for Fixed Assets

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

5. Accounting for Investments

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

6. Accounting for retirement benefits

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

7. Related party disclosure

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

1. Related Party Disclosure under Accounting Standard-18

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

Promoters	1. Tamilnadu Petroproducts Limited (TPL)
	2. Trinity Infraventures Limited (TIL) [Formerly Goldstone Exports Limited]

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

Promoters		(Rupees in 000's)
Particulars	**Year ended March 31,2010**	Year ended March 31,2009
Advance towards share Capital		
1. TPL	**3391.00**	3391.00
2. TIL	**15145.45**	3745.50

8. Accounting for taxes on income

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

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

9. Contingent Liabilities

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

B. Balance Sheet

1. Expenditure during construction period

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

2. Preliminary Expenses

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

3. The details of managerial remuneration paid to whole-time directors is as follows:

(Rupees in 000's)

Particulars	**Year ended March 31,2010**	Year ended March 31,2009
Salaries and Allowances	**421.55**	630.00
Perquisites	**97.33**	397.69
Total	**518.88**	1027.69

4. Details of Auditors' remuneration:

(Rupees in 000's)

Particulars	**Year ended March 31,2010**	Year ended March 31,2009
Fees for Statutory Audit (Including Service Tax)	**22.06**	22.06

5. A disputed claim of Rs.1,86,546/- is pending payable to the Regional Provident Fund Commissioner, Chennai towards interest and damages against belated payments made in the earlier years. Against the Writ Petition filed by the Company on 5th December 2005, the Madras High Court in its order dated 27th October 2006 has directed the PF Commissioner, Chennai to pass final orders after giving an opportunity to the Company for personal hearing. We are pursuing with the PF Commissioner for personal hearing.

6. Contingent Liability

M/s. Tuticorin Port Trust (TPT) has allotted land on lease to the extent of 36.81 hectares to the Company in July 1999. The Company has taken over the land after payment of stipulated premium and rental advances. The Project implememtation was delayed due to reasons beyond the control of the Company. In the meanwhile TPT cancelled the allotment of land.

The Company filed petition against TPT before the Madras High Court to appoint an Arbitrator. The Hon'ble High Court of Madras on accepting the Company's contention that there exits a dispute, passed orders on 18th July 2008 appointing Mr.Justice K.P. Sivasubramaniam as sole Arbitrator to settle the dispute that has arisen between the Company and TPT. The Sole Arbitrator had commenced the Arbitral proceedings and the same is in Progress.

Subsequently the Parties to the dispute namely SEPC and TPT accepted for resolving th eissue of land allocation to SEPC amicably. Accordingly, alternate land allocation has been approved by TPT on the same terms and conditions of original allocation. SEPC is revalidating the approvals for the alternate allocation. Upon obtaining approvals and payment of dues to TPT, the alternate land allocation would be taken over by SEPC.

In view of the above said development, the arbitration proceedings are kept on hold.

The Company has provided a sum of Rs.4,16,37,246/- towards contingent liability resenting lease rentals together with other charges upto 31st March 2010, which is not otherwise provided in the books of accounts for the year under review..

C. General

1. 525 MW Tuticorin Power Project

   The Company is engaged in the development of 525 MW Thermal Power Project at Tuticorin, Tamilnadu. The Company has obtained certain statutory and non-statutory clearances for establishment of 525 MW coal fired thermal power project at Tuticorin including the Techno-Economic Clearance (TEC) from the Central Electricity Authority (CEA). In view of delay in implementation of the Project, the land allocated by TPT for locating the project was withdrawn. However, after taking up with TPT, Ministries of Shipping, Power and Coal, TPT allocated alternate land for locating our project. TNEB has informed that they are desirous that 1x525 MW Tuticorin Thermal Power Project Stage IV should be set up by SEPC early and accordingly accorded its approval for locating the project at the alternate site within TPT estate. The Company had earlier obtained environmental clearance from the Ministry of Environment & Forest (MoEF) for the orignally allotted site and has now approached MoEF for revalidation of the environmental clearance for the alternate site within TPT estate. The company has also received no objection certificate from Airports Authority of India for the new site.

   The Ministry of Power issued clarification that the changes such as land would not alter the legal enforceability of already concluded Power Purchase Agreement (PPA) signed between SEPC and TNEB with the approval of Government of Tamilnadu.

   In continuation of MOU dated 14.6.2007, a Shareholders and Share Subscription Agreement (SSA) was executed on 27.5.2009 between M/s. Tamilnadu Petroproducts Limited (TPL), M/s. Goldstone Exports Limited (name now changed to M/s.Trinity Infraventures Limited) and the Company.

   As per the terms of the SSA, M/s. Trinity Infraventures Limited (TIL) continues to meet all the current expenses of the Company. M/s.TIL have contributed Rs. 151.455 lakhs as of 31st Mrach 2010. Out of this amount, a sum of Rs. 151 lakhs have been transferred to M/s.TIL's nominee M/s. Goldstone Power Private Limited for allotment of 15,10,000 equity shares of Rs. 10/- per share at par.

2. None of the employees were in receipt of remuneration in excess of the amount prescribed in Section 217 (2A) of the Companies Act, 1956.

3. Other items not specifically mentioned above are done as per the generally accepted accounting policies.

4. Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's classification.

5. Figures have been rounded off to the nearest thousands of rupees.

For M/s.Raman Associate
Chartered Accountants

G.Vasudevan
Partner
Place: Chennai
Date : 30th April 2010

For and on behalf of the Board

R. Soundararajan
Director

V. Ramani
Director

RM. Muthukaruppan
Director

L.P. Sashikumar
Director

INFORMATION PURSUANT TO PART - IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I **Registration Details :**

Registration No. 0 3 0 6 6 0 | State Code : 1 8

Balance Sheet : 3 1 (Date) 0 3 (Month) 1 0 (Year)

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

Public Issue	Rights Issue
- - - N I L - - -	- - - N I L - - -
Bonus Issue	Private Placement
- - - N I L - - -	- - - N I L - - -

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

Total Liabilities	Total Asets
0 4 0 0 3 1 1	0 4 0 0 3 1 1

Source of Funds

Paid-up Capital	Advance Against Share Capital
0 2 9 6 5 5 0	0 1 0 3 7 6 0
Secured Loans	Unsecured Loans
- - - N I L - - -	- - - N I L - - -

Application of Funds

Net Fixed Assets	Investments
0 0 0 3 9 8 4 5	- - - N I L - - -
Net Current Assets	Expenditure During Construction
- 1 2 7 6 2 9	0 4 8 7 7 4 6
Accumulated Losses	Misc Expenditure
- - - N I L - - -	0 0 0 0 3 4 9

IV. **Performance of Company (Amount in Rs. Thousands)***

Turnover	Total Expenditure
N A	N A
+ - Profit Before Tax	+ - Profit After Tax
N A	N A
Earnings per Share in Rs.	Dividend rate %
N A	N A

* Since the Company has not commenced the commercial operation, details relating to the performance of the comapny are not applicable.

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

Item Code No. (ITC Code) N A

Product Description E L E C T R I C I T Y

For and on behalf of Board of Directors

R. Soundararajan Director	RM. Muthukaruppan Director
V. Ramani Director	L.P. Sashikumar Director

Place: Chennai
Date: 30th April, 2010