

**ANNUAL REPORTS**  
**&**  
**FINANCIAL STATEMENTS OF THE SUBSIDIARY**  
**AND STEP-DOWN SUBSIDIARY**  
**OF**  
**TAMILNADU PETROPRODUCTS LIMITED**  
**FOR**  
**FY 2020-21**

- Certus Investment & Trading Limited, Mauritius, WOS
- Certus Investment and Trading (S) Private Limited, Singapore, SDS

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

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****CORPORATE DATA**

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		<b>Date of appointment</b>
<b>DIRECTORS</b>	: Ashwin Chidambaram Muthiah Zakir Hussein Niamut Sashikala Srikanth Pravesh Beeharry	05 November 2001 19 December 2011 22 March 2019 18 September 2017
<b>REGISTERED OFFICE</b>	: SANNE House, Bank Street TwentyEight Cybercity Ebene 72201 Mauritius	
<b>ADMINISTRATOR SECRETARY AND MAURITIAN TAX AGENT</b>	: SANNE Mauritius SANNE House, Bank Street TwentyEight Cybercity Ebene 72201 Mauritius	
<b>AUDITORS</b>	: Nexia Baker & Arenson Chartered Accountants 5 <sup>th</sup> Floor, C&R Court 49, Labourdonnais Street Port Louis Mauritius	
<b>BANKER</b>	: AfrAsia Bank Limited Bowen Square 10, Dr Ferriere Street Port Louis Mauritius	

## **CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY**

### **COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their commentary together with the audited financial statements of **CERTUS INVESTMENT & TRADING LIMITED** (the “Company”) and Certus Investment and Trading (S) Private Limited (the “Subsidiary”) (together referred as the “Group”), for the year ended 31 March 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is to act as an investment holding company and that of its subsidiary, Certus Investment and Trading (S) Private Limited, incorporated in the Republic of Singapore is to carry out the business of sales of industrial chemical.

#### **RESULTS AND DIVIDEND**

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

The directors do not recommend the payment of a dividend during the year under review (2020: USDNil).

#### **DIRECTORS**

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

#### **DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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

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

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

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

#### **AUDITORS**

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

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

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **CERTUS INVESTMENT & TRADING LIMITED** under the Mauritius Companies Act 2001, during the financial year ended 31 March 2021.

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**For SANNE Mauritius  
Secretary**

**Registered office:**

Sanne House, Bank Street  
TwentyEight  
Cybercity  
Ebene 72201  
Mauritius

**Date: 26 May 2021**

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDER OF CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY

#### Report on the Financial Statements

##### *Opinion*

We have audited the financial statements of **CERTUS INVESTMENT & TRADING LIMITED (the "Company") and its subsidiary together referred to as (the "Group")**, set out on pages 8 to 31 which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statements of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

##### *Basis for Opinion*

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

##### *Other Information*

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

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

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

##### *Directors' Responsibilities for the Financial Statements*

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

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDER OF CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY

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

##### *Directors' Responsibilities for the Financial Statements (continued)*

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

##### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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



**INDEPENDENT AUDITORS' REPORT****TO THE SHAREHOLDER OF CERTUS INVESTMENT & TRADING LIMITED AND ITS  
SUBSIDIARY****Report on the Financial Statements (continued)*****Auditors' Responsibilities for the Audit of the Financial Statements (continued)***

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

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

***Other Matter***

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

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

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

We have obtained all information and explanations we have required.

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

**Nexia Baker & Arenson  
Chartered Accountants****Nitin Kumar Sobnack FCCA  
Licensed by FRC****Date: 26 May 2021**

## CERTUS INVESTMENT &amp; TRADING LIMITED AND ITS SUBSIDIARY

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Notes	The Group		The Company	
		2021	2020	2021	2020
		USD	USD	USD	USD
<b>Assets</b>					
<b>Non-current asset</b>					
Investment in subsidiary company	6	-	-	<b>1,875,340</b>	1,875,340
<b>Current assets</b>					
Receivables and prepayments	7	<b>8,234</b>	10,165	<b>13,502,478</b>	13,503,525
Cash and cash equivalents		<b>17,519,386</b>	16,906,222	<b>2,434,032</b>	1,902,810
		<b>17,527,620</b>	16,916,387	<b>15,936,510</b>	15,406,335
<b>Total assets</b>		<b>17,527,620</b>	16,916,387	<b>17,811,850</b>	17,281,675
<b>Equity and liabilities</b>					
<b>Capital and reserves</b>					
Stated capital	8	<b>20,419,000</b>	20,419,000	<b>20,419,000</b>	20,419,000
Revenue deficits		<b>(2,910,686)</b>	(3,520,343)	<b>(2,618,264)</b>	(3,148,853)
<b>Total equity</b>		<b>17,508,314</b>	16,898,657	<b>17,800,736</b>	17,270,147
<b>Current liabilities</b>					
Accruals	9	<b>11,879</b>	13,670	<b>7,073</b>	7,468
Tax liability	5	<b>7,427</b>	4,060	<b>4,041</b>	4,060
<b>Total liabilities</b>		<b>19,306</b>	17,730	<b>11,114</b>	11,528
<b>Total equity and liabilities</b>		<b>17,527,620</b>	16,916,387	<b>17,811,850</b>	17,281,675

Approved by the Board for issue on 26 May 2021 and signed on its behalf by:

.....  
**Director**

.....  
**Director**

The notes on pages 13 to 31 form an integral part of these financial statements.

## CERTUS INVESTMENT &amp; TRADING LIMITED AND ITS SUBSIDIARY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	The Group		The Company	
		2021	2020	2021	2020
		USD	USD	USD	USD
<b>Income</b>					
Interest income	10	669,270	632,244	578,704	554,742
Unrealised gain on foreign exchange		1,811	-	-	-
Distribution income	11	-	599,140	-	599,140
<b>Total income</b>		<b>671,081</b>	<b>1,231,384</b>	<b>578,704</b>	<b>1,153,882</b>
<b>Expenses</b>					
Administration expenses		19,608	22,408	18,688	21,905
Licence fees		2,300	2,650	2,300	2,650
Audit fees		7,429	9,815	4,030	5,515
Bank charges		1,844	1,966	1,185	1,355
Professional fees		10,845	17,209	5,900	5,500
Expected credit loss (net of reversal)		-	4,695	-	-
<b>Total expenses</b>		<b>42,026</b>	<b>58,743</b>	<b>32,103</b>	<b>36,925</b>
<b>Profit before taxation</b>		<b>629,055</b>	<b>1,172,641</b>	<b>546,601</b>	<b>1,116,957</b>
Taxation	5	(19,398)	(15,425)	(16,012)	(15,425)
<b>Profit for the year</b>		<b>609,657</b>	<b>1,157,216</b>	<b>530,589</b>	<b>1,101,532</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>609,657</b>	<b>1,157,216</b>	<b>530,589</b>	<b>1,101,532</b>

The notes on pages 13 to 31 form an integral part of these financial statements.

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

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

<b><u>The Group</u></b>	<b>Stated capital</b>	<b>Revenue deficits</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
At 01 April 2019	20,419,000	(4,078,085)	16,340,915
Total comprehensive income for the year	-	1,157,216	1,157,216
Elimination of subsidiary company	-	(599,474)	(599,474)
At 31 March 2020	<u>20,419,000</u>	<u>(3,520,343)</u>	<u>16,898,657</u>
Total comprehensive income for the year	-	<b>609,657</b>	<b>609,657</b>
<b>At 31 March 2021</b>	<b><u>20,419,000</u></b>	<b><u>(2,910,686)</u></b>	<b><u>17,508,314</u></b>

The notes on pages 13 to 31 form an integral part of these financial statements.

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

**STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

**The Company**

	<b>Stated capital</b>	<b>Revenue deficits</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
At 01 April 2019	20,419,000	(4,250,385)	16,168,615
Total comprehensive income for the year	-	1,101,532	1,101,532
At 31 March 2020	20,419,000	(3,148,853)	17,270,147
Total comprehensive income for the year	-	530,589	530,589
<b>At 31 March 2021</b>	<b>20,419,000</b>	<b>(2,618,264)</b>	<b>17,800,736</b>

The notes on pages 13 to 31 form an integral part of these financial statements.

## CERTUS INVESTMENT &amp; TRADING LIMITED AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	The Group		The Company	
		2021	2020	2021	2020
		USD	USD	USD	USD
<b>Cash flows from operating activities</b>					
Profit before taxation		<b>629,055</b>	1,172,641	<b>546,601</b>	1,116,957
<i>Adjustments for:</i>					
Elimination of subsidiary company		-	(599,474)	-	-
Interest income		<b>(669,270)</b>	(632,244)	<b>(578,704)</b>	(554,742)
<b>Operating (loss)/profit before working capital changes</b>		<b>(40,215)</b>	(59,077)	<b>(32,103)</b>	562,215
(Increase)/decrease in receivables and prepayments		<b>(59)</b>	14,938	<b>1,047</b>	(1,337)
(Decrease)/increase in accruals		<b>(1,791)</b>	(14,638)	<b>(395)</b>	4,413
<b>Cash (used in)/from operating activities</b>		<b>(42,065)</b>	(58,777)	<b>(31,451)</b>	565,291
Income tax paid	5	<b>(16,031)</b>	(22,191)	<b>(16,031)</b>	(22,191)
<b>Net cash (used in)/from operating activities</b>		<b>(58,096)</b>	(80,968)	<b>(47,482)</b>	543,100
<b>Cash flows from investing activities</b>					
Interest received		<b>671,260</b>	632,244	<b>6,896</b>	23,619
Advance to subsidiary company	12 (i)	-	-	<b>(1,500,000)</b>	(13,500,000)
Advance repaid by subsidiary company	12 (i)	-	-	<b>1,500,000</b>	-
Interest repaid by subsidiary company		-	-	<b>571,808</b>	531,123
<b>Net cash from/(used in) investing activities</b>		<b>671,260</b>	632,244	<b>578,704</b>	(12,945,258)
<b>Cash flows from financing activity</b>					
Amount paid to shareholder		-	-	-	(13,831)
<b>Net cash used in financing activity</b>		-	-	-	(13,831)
<b>Net increase/(decrease) in cash and cash equivalents</b>					
		<b>613,164</b>	551,276	<b>531,222</b>	(12,415,989)
Cash and cash equivalents at beginning of the year		<b>16,906,222</b>	16,354,946	<b>1,902,810</b>	14,318,799
<b>Cash and cash equivalents at end of the year</b>		<b>17,519,386</b>	16,906,222	<b>2,434,032</b>	1,902,810

The notes on pages 13 to 31 form an integral part of these financial statements.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

Certus Investment & Trading Limited (the “Company”) was incorporated in Mauritius on 30 October 2001 under the Mauritius Companies Act 1984, now replaced by the Mauritius Companies Act 2001, as a private company with liability limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The address of the Company’s registered office is at SANNE House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius

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

The principal activity of the Company is to act as an investment holding company and that of its subsidiary is to carry out the business of sales of industrial chemical.

**2. Basis of preparation***(a)* Statement of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and comply with the requirements of the Mauritius Companies Act 2001.

*(b)* Basis of measurement

The financial statements have been prepared using the going concern principle under the historical cost basis.

*(i)* Functional and presentation currency

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

*(c)* Use of estimates and judgment

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in Note 4.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Basis of preparation (continued)****(d) Basis of consolidation**

The financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2021.

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Basis of preparation (continued)****(e) Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

**(f) Going concern**

The Group's and Company's management have made an assessment of their ability to continue as a going concern.

Following the COVID-19 pandemic affecting the global economic sector around the world, the directors are of opinion that the Group and Company will not be materially impacted and will be able to meet its obligations as they fall due over the next twelve months.

Accordingly, the financial statements have been prepared on the going concern basis which assumes that the Group and Company will continue in operational existence for the foreseeable future.

**3. Accounting policies****(a) Financial instruments*****Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends the financial assets' contractual cash flow characteristics and the Group's and the Company's business model for managing them.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Accounting policies**

(a) Financial instruments (continued)

*Subsequent measurement*

**Financial assets at amortised cost**

This category is the most relevant to the Group and the Company. The Group and the Company measure their financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include other receivables and cash and cash equivalents.

**Financial liabilities at amortised cost**

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

*Derecognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
  - the Company or the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- or
- the Company or the Group has transferred its rights to receive cash flows from the asset and either

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Accounting policies (continued)****(a) Financial instruments (continued)*****Derecognition (continued)***

- (a) has transferred substantially all the risks and rewards of the asset, or
- (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Company or the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's or the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company or the Group could be required to repay.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires

***Impairment of financial assets***

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at end of each reporting period.

***Offsetting***

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

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

At end of each reporting period, the Group and the Company review the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

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

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Accounting policies (continued)****(b) Impairment of non-financial assets (continued)**

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

**(c) Investments in subsidiary company**

In the Company's own separate financial statements, the investments in subsidiaries are stated at cost less any provision in impairment in value. Impairment loss recognised in profit and loss for a subsidiary is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The net book values of the subsidiaries are not necessarily indicative of the amounts that would be recovered.

**(d) Cash and cash equivalents**

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

**(e) Related parties**

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

**(f) Provisions**

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

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Accounting policies (continued)****(g) Expense recognition**

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

**(h) Interest income**

Interest income on financial assets at amortised cost are recognised in profit or loss, using the effective interest method.

**(i) Income tax**

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

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

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

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deduction temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit not the accounting profit.

**(j) Deferred tax**

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by end of each reporting period. Deferred tax is charged or credited to the statement of profit or loss and other comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Accounting policies (continued)****(j) Deferred tax (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

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

**(k) Foreign currency transactions**

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

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

**(l) Stated capital and reserves**

Ordinary shares are classified as equity.

Revenue deficits include all current and prior period results as disclosed in the statement of profit or loss and other comprehensive income.

**(m) Advance receivable**

Advance receivable are financial assets with fixed or predeterminable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, advance receivable is measured at amortised cost using the effective interest method, less any impairment losses.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**3. Accounting policies (continued)**

(n) Changes in accounting policies

***Standards and amendments that are effective for annual periods beginning on or after 1 April 2020***

***Amendments to published Standards effective in the reporting period***

Definition of a Business (Amendments to IFRS 3) clarifies the definition of a business to help determine whether a transaction should be accounted for as a business combination or an asset acquisition and permits, in certain circumstances, a simplified assessment that an acquired set of activities and assets is not a business. The amendments have no impact on the Group's/Company's financial statements.

Definition of Material (Amendments to IAS 1 and IAS 8) clarifies the definition of material and aligns the definitions used across IFRSs and other IASB publications. The amendments have no impact on the Group's/Company's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards relate to minor amendments to various standards to reflect the revised Conceptual Framework for Financial Reporting. The amendments have no impact on the Group's/Company's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 April 2021 or later periods, but which the Group/Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

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

IFRS 17 Insurance Contracts

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018–2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Reference to the Conceptual Framework (Amendments to IFRS 3)

Amendments to IFRS 17

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

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

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**4. Critical accounting estimates and judgements**

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

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

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

*Determination of functional currency*

The determination of the functional currency of the Group and the Company is critical since recording transaction and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors mentioned in note 2 and have determined that the functional currency of the Group and the Company is USD.

*Impairment of investment in subsidiary company.*

Investment in subsidiaries are assessed yearly for any indications of impairment. Where indications are identified, the recoverable amount of the subsidiaries have been determined based on value in use.

As at 31 March 2021, the recoverable amount of the Subsidiary exceeds its' carrying amount therefore no impairment was recognised.

*Going concern*

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



**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**5. Taxation****The Group and the Company****Mauritius tax rule**

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax (“Deemed tax credit”) on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no

Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Fund’s tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income. Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

**Singapore tax rule**

The Subsidiary incorporated in Singapore is liable to pay income tax at a rate of 17% in Singapore for the year ended 31 March 2021.

## CERTUS INVESTMENT &amp; TRADING LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

## 5. Taxation (continued)

The Group and the Company

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

	<u>The Group</u>		<u>The Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Profit before taxation	<b>629,055</b>	1,172,641	<b>546,601</b>	1,116,957
Tax at the rate of 15%	<b>94,358</b>	175,896	<b>81,990</b>	167,544
Tax effect of:				
Non allowable expense	-	2,991	-	2,991
Exempt income	<b>(7,274)</b>	(93,411)	<b>(1,034)</b>	(93,411)
	<b>87,084</b>	85,476	<b>80,956</b>	77,124
Tax credit of 80%	<b>(64,765)</b>	(61,699)	<b>(64,765)</b>	(61,699)
Over provision	<b>(3,015)</b>	-	<b>(179)</b>	
	<b>19,304</b>	23,777	<b>16,012</b>	15,425
Tax loss utilised				-
Unrecognised deferred tax	<b>(638)</b>	(9,219)	-	
Effect of tax rates in foreign jurisdictions	<b>732</b>	867	-	
	<b>19,398</b>	15,425	<b>16,012</b>	15,425
<u>Tax liability</u>				
At beginning of the year	<b>4,060</b>	10,826	<b>4,060</b>	10,826
Charge for the year	<b>19,398</b>	15,425	<b>16,012</b>	15,425
Tax paid during the year	<b>(16,031)</b>	(22,191)	<b>(16,031)</b>	(22,191)
At end of the year	<b>7,427</b>	4,060	<b>4,041</b>	4,060

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**6. Investment in subsidiary company**

	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
At beginning and end of the year	<b>1,875,340</b>	1,875,340

The details of the investment in subsidiary company are as follows:

<b>Name of subsidiary companies</b>	<b>Country of incorporation</b>	<b>% holding</b>	<b>Cost</b>	
			<b>2021</b>	<b>2020</b>
			<b>USD</b>	<b>USD</b>
Certus Investment and Trading (S) Private Limited	Singapore	100	<b>1,875,340</b>	1,875,340
Proteus Petrochemicals Private Limited	Singapore	-	-	-
			<b>1,875,340</b>	1,875,340

- (i) The directors are of opinion that there is no impairment on the value of the investment of Certus Investment and Trading (S) Private Limited as at 31 March 2021.
- (ii) Proteus Petrochemicals Private Limited has wound up its operations during the year ended 31 March 2020.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**7. Receivables and prepayments**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Prepayments	<b>5,974</b>	5,915	<b>2,437</b>	2,437
Advance to subsidiary company (see note 12 (i))	-	-	<b>13,500,000</b>	13,500,000
Advance to ultimate holding company (see note 13 (a))	<b>2,219</b>	2,219	-	-
Interest receivable on fixed deposit	<b>41</b>	2,031	<b>41</b>	1,088
	<b>8,234</b>	10,165	<b>13,502,478</b>	13,503,525

**8. Stated capital**

	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<u>Issued and fully paid with no par value</u> 204,190 ordinary shares of USD100 each	<b>20,419,000</b>	20,419,000

The ordinary shares carry:

- (a) the right to one vote on a poll at a meeting of the Company on any resolution;
- (b) the right to an equal share in dividends authorised by the Board; and
- (c) the right to an equal share in the distribution of the surplus assets of the Company.

**9. Accruals**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Accruals	<b>11,879</b>	13,670	<b>7,073</b>	7,468

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**10. Interest income**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Advance to subsidiary	-	-	571,808	531,123
Fixed deposit	6,896	23,619	6,896	23,619
Loan to third party	662,374	608,625	-	-
	<b>669,270</b>	<b>632,244</b>	<b>578,704</b>	<b>554,742</b>

**11. Distribution income**

The distribution income consists of the proceeds obtained from Proteus Petrochemicals Private Limited ("former subsidiary company") upon its winding up.

**12. Related party transactions**

	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
(i) <u>Advance to subsidiary company</u>		
<i>Receivable from Certus Investment and Trading (S) Private Limited</i>		
At beginning of the year	13,500,000	-
Advanced during the year	1,500,000	13,500,000
Repaid during the year	(1,500,000)	-
At end of the year	<b>13,500,000</b>	<b>13,500,000</b>

The advance to Certus Investment and Trading (S) Private Limited amounting to USD13,500,000 is unsecured, bears interest at the rate of 4% per annum and repayable upon demand.

**13. Financial instruments and associated risks**

(a) Fair values

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

The following table sets out the fair value of the financial instruments:

	<b>The Group</b>		<b>The Company</b>	
	<b>At amortised</b>		<b>At amortised</b>	
	<b>cost</b>	<b>Total</b>	<b>cost</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b><u>Financial assets</u></b>				
Advances	2,219	2,219	13,500,000	13,500,000
Interest receivable on fixed deposit	41	41	41	41
Cash and cash	17,519,386	17,519,386	2,434,032	2,434,032
	<b>17,521,646</b>	<b>17,521,646</b>	<b>15,934,073</b>	<b>15,934,073</b>

## CERTUS INVESTMENT &amp; TRADING LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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

## (a) Fair values (continued)

	<u>2021</u>		<u>2020</u>	
	The Group		The Company	
	At amortised		At amortised	
	cost	Total	cost	'Total
	USD	USD	USD	USD
<b><u>Financial liability</u></b>				
Accruals	<u>11,879</u>	<u>11,879</u>	<u>7,073</u>	<u>7,073</u>
<b><u>Financial assets</u></b>				
Advances	2,219	2,219	13,500,000	13,500,000
Interest receivable on fixed	2,031	2,031	1,088	1,088
Cash and cash equivalents	16,906,222	16,906,222	1,902,810	1,902,810
	<u>16,910,472</u>	<u>16,910,472</u>	<u>15,403,898</u>	<u>15,403,898</u>
<b><u>Financial liability</u></b>				
Accruals	<u>13,670</u>	<u>13,670</u>	<u>7,468</u>	<u>7,468</u>

## (b) Currency profile

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

	<u>2021</u>		<u>2020</u>	
	Financial	Financial	Financial	Financial
	assets	liabilities	assets	liabilities
	USD	USD	USD	USD
United States Dollars	<u>17,521,646</u>	<u>11,879</u>	<u>16,910,472</u>	<u>13,670</u>

## CERTUS INVESTMENT &amp; TRADING LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**13. Financial instruments and associated risks (continued)**(b) Currency profile (continued)**The Company**

	2021		2020	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
United States Dollars	<b>15,934,073</b>	<b>7,073</b>	15,403,898	7,468

(c) Credit risk

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

The Group and the Company place their cash and cash equivalents with creditworthy financial

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

The Group and the Company allocate each exposure to a credit risk based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. From past experience, there is no evidence of an increase in credit risk since origination of the financial asset, including no history or current default on the advance to subsidiary company and bank. As such, no provision has been made for expected credit loss, as it is immaterial.

(d) Interest rate risk

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

The Company has amounts due from Certus Investment and Trading (S) Pte Ltd ("subsidiary company"), the terms of which are elaborated in Note 9 (a). The Company is not exposed to risks associated with the fluctuation in interest rates on its loans receivable, since they are fixed interest bearing loans.

Interest income from cash deposits may fluctuate in amount, in particular due to changes in the interest rates. However, the interest rate risk of the Company would be insignificant on its cash at bank as at 31 March 2021.

**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**13. Financial instruments and associated risks (continued)****(e) Liquidity risk**

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

**(f) Political, economic and social risks**

Political, economic and social factors, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the value of the Group's and the Company's assets.

**(g) Capital risk management**

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns to its shareholder. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to its shareholder, buy back shares or issue new shares.

**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.

**15. Impact of COVID-19**

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak to be a pandemic. This event is a significant event considering the spread of virus all over the world and the situation of lock-down in Mauritius during the month of March 2020 and period subsequent to that. Due to this significant event there could be low to severe direct and indirect effects developing with companies across multiple industries and the world. The Company will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.



**CERTUS INVESTMENT & TRADING LIMITED AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**15. Impact of COVID-19 (continued)**

As at the date of approval of these annual financial statements, the COVID-19 crisis is still unfolding, and there will be some uncertainty remaining around the accurate assessment of the full impact of COVID-19 crisis or any prediction regarding the future course of events that would arise due to the COVID-19 crisis. The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these annual financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**16. Events after the reporting period**

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2021.

*Director's Statement and  
Audited Financial Statements*

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

*(Co. Reg. No. 200414622K)*

*For the year ended 31 March 2021*

**Certus Investment and Trading (S) Private Limited**  
(Co. Reg. No. 200414622K)

**General Information**

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**Director**

Krishnamurthy Sekar

**Secretary**

Ng Chee Tiong

**Independent Auditor**

Sashi Kala Devi Associates

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## **Director's Statement**

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The director is pleased to present the statement to the member together with the audited financial statements of Certus Investment and Trading (S) Private Limited (the "Company") for the financial year ended 31 March 2021.

### **1. OPINION OF THE DIRECTOR**

In the opinion of the director,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

### **2. DIRECTOR**

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

Krishnamurthy Sekar

### **3. 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 or debentures in the Company or any other body corporate.

### **4. DIRECTOR'S INTERESTS IN SHARES AND DEBENTURES**

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

### **5. OPTIONS TO TAKE UP UNISSUED SHARES**

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

### **6. OPTIONS EXERCISED**

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

### **7. UNISSUED SHARES UNDER OPTION**

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

**Certus Investment and Trading (S) Private Limited**  
(Co. Reg. No. 200414622K)

**Director's Statement - continued**

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**8. INDEPENDENT AUDITOR**

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

Krishnamurthy Sekar  
Director

Singapore  
9 April 2021

# SASHI KALA DEVI ASSOCIATES

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

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

#### *Opinion*

We have audited the financial statements of Certus Investment and Trading (S) Private Limited (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

#### *Basis for Opinion*

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

#### *Other Information*

Management is responsible for the other information. The other information comprises the Director's Statement but does not include the financial statements and our auditor's report thereon.

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

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

# SASHI KALA DEVI ASSOCIATES

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

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### *Responsibilities of Management and Director for the Financial Statements*

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

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

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

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

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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# SASHI KALA DEVI ASSOCIATES

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

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### *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### ***Report on Other Legal and Regulatory Requirements***

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

Sashi Kala Devi Associates  
Public Accountants and  
Chartered Accountants

Singapore  
9 April 2021

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**Certus Investment and Trading (S) Private Limited**  
(Co. Reg. No. 200414622K)

**Statement of Financial Position as at 31 March 2021**

	Note	2021 US\$	2020 US\$
<b>Current assets</b>			
Prepayments		3,537	3,478
Amount due from ultimate holding company	4	2,219	2,219
Cash and cash equivalents	5	15,085,354	15,004,355
		<u>15,091,110</u>	<u>15,010,052</u>
<b>Current liabilities</b>			
Accrued liabilities		4,806	6,536
Amount due to immediate holding company	6	13,500,000	13,499,666
Tax payable	7	3,386	—
		<u>13,508,192</u>	<u>13,506,202</u>
<b>Net current assets</b>		1,582,918	1,503,850
<b>Net assets</b>		<u>1,582,918</u>	<u>1,503,850</u>
<b>Equity attributable to owner of the Company</b>			
Share capital	8	1,875,340	1,875,340
Accumulated losses		<u>(292,422)</u>	<u>(371,490)</u>
<b>Total equity</b>		<u>1,582,918</u>	<u>1,503,850</u>

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

**Certus Investment and Trading (S) Private Limited**  
(Co. Reg. No. 200414622K)

**Statement of Comprehensive Income for the financial year ended 31 March 2021**

	Note	2021 US\$	2020 US\$
<b>Revenue</b>		–	–
Other income	9	662,374	608,625
Administrative expenses		(9,923)	(12,022)
Finance cost	10	(571,808)	(531,123)
Other credit/(charge)	11	1,811	(4,019)
<b>Profit before tax</b>		82,454	61,461
Income tax expense	12	(3,386)	–
<b>Profit after tax</b>		79,068	61,461
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		79,068	61,461

**Statement of Changes in Equity for the financial year ended 31 March 2021**

	Share capital US\$	Accumulated losses US\$	Total US\$
Balance at 1 April 2019	1,875,340	(432,951)	1,442,389
Total comprehensive income for the year	–	61,461	61,461
Balance at 31 March 2020	1,875,340	(371,490)	1,503,850
Total comprehensive income for the year	–	79,068	79,068
Balance at 31 March 2021	1,875,340	(292,422)	1,582,918

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

**Certus Investment and Trading (S) Private Limited**  
(Co. Reg. No. 200414622K)

**Statement of Cash Flows for the financial year ended 31 March 2021**

	<b>2021</b>	<b>2020</b>
	US\$	US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	82,454	61,461
Adjustments for:		
Interest income from loans to third parties	(662,336)	(608,625)
Interest income from fixed deposit	(38)	—
Interest expense on loan from immediate holding company	571,808	531,123
<b>Operating loss before working capital changes</b>	<u>(8,112)</u>	<u>(16,041)</u>
Increase in prepayments	(59)	(30)
(Decrease)/increase in accrued liabilities	(1,730)	796
<b>Cash used in operations</b>	<u>(9,901)</u>	<u>(15,275)</u>
Interest received	662,374	608,625
Interest paid	(571,808)	(531,123)
<b>Net cash flows from operating activities</b>	<u>80,665</u>	<u>62,227</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in amount due from ultimate holding company	—	13,831
Increase in amount due from immediate holding company	334	—
Increase in amount due to immediate holding company	—	13,499,666
<b>Net cash flows from financing activities</b>	<u>334</u>	<u>13,513,497</u>
Net increase in cash and cash equivalents	80,999	13,575,724
Cash and cash equivalents at beginning of year	15,004,355	1,428,631
<b>Cash and cash equivalents at end of year</b>	<u>15,085,354</u>	<u>15,004,355</u>

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

**Certus Investment and Trading (S) Private Limited**  
(Co. Reg. No. 200414622K)

**Notes to the Financial Statements – 31 March 2021**

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

**1. CORPORATE INFORMATION**

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

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

The principal activities of the Company are other holding companies. The Company has remained dormant during the financial year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

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

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

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year; the Company has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Company for the current or prior financial years.

The following standards and interpretations are effective for the annual period beginning on or after 1 January 2020:

	Effective date (Annual periods beginning on or after)
Amendments to FRS 1 and FRS 8: <i>Definition of Material</i>	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107: <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to References to the Conceptual Framework in FRS Standards, illustrative examples, implementation guidance and FRS Practice Statements	1 January 2020
Revised Conceptual Framework	1 January 2020

Notes to the Financial Statements – 31 March 2021

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

Amendments to FRS 1 and FRS 8: *Definition of Material*

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Company.

Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Company.

*Standards issued but not yet effective*

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

	Effective date (Annual periods beginning on or after)
Amendments to FRS109, FRS 39, FRS 107, FRS104, FRS 116: <i>Interest rate benchmark reform- phase 2</i>	1 January 2021
Amendment to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023

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

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

(b) *Functional and foreign currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be USD.

*Foreign currency transactions*

Transactions in foreign currencies are measured in USD and are recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are re-translated to the functional currency at the rate of exchange ruling at the end of the reporting period. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial recognition. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

(c) *Financial instruments*

(i) *Financial assets*

*Initial recognition and measurement*

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

*Subsequent measurement*

*Investments in debt instruments*

Subsequent measurement of debt instruments depends on the business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

▪ *Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

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

(c) *Financial instruments (continued)*

(i) *Financial assets (continued)*

*Subsequent measurement (continued)*

*Investments in debt instruments (continued)*

▪ *Fair value through other comprehensive income (FVOCI)*

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

▪ *Fair value through profit or loss*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

*De-recognition*

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

(ii) *Financial liabilities*

*Initial recognition and measurement*

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

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

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

(c) *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

*Subsequent measurement*

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

*De-recognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(d) *Impairment of financial assets*

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:



**Notes to the Financial Statements – 31 March 2021**

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

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

*Credit-impaired financial assets (continued)*

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;
- (iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the procedures for recovery of amounts due.

(e) ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and short-term deposit with a maturity of three months or less that is readily convertible to known amount of cash and which is subject to insignificant risk of changes in value.

(f) ***Other payables***

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

(g) ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

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

(h) *Revenue*

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

*Interest income*

Interest income is recognised using the effective interest method.

(i) *Taxes*

(i) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in the profit or loss except to the extent that tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

(i) ***Taxes (continued)***

(ii) ***Deferred tax (continued)***

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(j) ***Related parties***

A related party is defined as follows:

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

**Notes to the Financial Statements – 31 March 2021**

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

(j) *Related parties (continued)*

- (b) An entity is related to the Company if any of the following conditions applies (continued):
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
  - (viii) The entity or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

**3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

▪ *Key sources of estimation uncertainty*

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

▪ *Judgement made in applying accounting policies*

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

**4. AMOUNT DUE FROM ULTIMATE HOLDING COMPANY**

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

**5. CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	US\$	US\$
Cash at bank	14,894,361	14,813,412
Short-term deposit	190,993	190,943
	<u>15,085,354</u>	<u>15,004,355</u>

**Notes to the Financial Statements – 31 March 2021**

**5. CASH AND CASH EQUIVALENTS (continued)**

Cash at bank earns interest at floating rates based on daily bank deposits rates. Short-term deposit is made for a period of two months depending on the immediate cash requirements of the Company, and earns interest at the respective short-term deposit rate. The weighted average effective interest rate as at 31 March 2021 was 0.05% (2020: 0.05%) per annum.

Cash and cash equivalents denominated in foreign currency as at 31 March are as follows:

	<b>2021</b>	<b>2020</b>
	US\$	US\$
Singapore Dollar	<u>28,923</u>	<u>33,378</u>

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

The amount due is non-trade related, unsecured, bears interest rate at 4% per annum, repayable upon demand and is to be settled in cash.

**7. TAX PAYABLE**

Balance at beginning of year	–	–
Current year's tax expense	<u>3,386</u>	<u>–</u>
Balance at end of year	<u>3,386</u>	<u>–</u>

**8. SHARE CAPITAL**

	<b>2021</b>		<b>2020</b>	
	Number of shares	US\$	Number of shares	US\$
Issued and fully paid:				
Ordinary shares	<u>1,916,642</u>	<u>1,875,340</u>	<u>1,916,642</u>	<u>1,875,340</u>

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

**9. OTHER INCOME**

	<b>2021</b>	<b>2020</b>
	US\$	US\$
Interest income from loans to third parties	662,336	608,625
Interest income from fixed deposit	<u>38</u>	<u>–</u>
	<u>662,374</u>	<u>608,625</u>

**10. FINANCE COST**

Interest expense on loan from immediate holding company	<u>571,808</u>	<u>531,123</u>
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**Notes to the Financial Statements – 31 March 2021**

**11. OTHER CREDIT/(CHARGE)**

	<b>2021</b> US\$	<b>2020</b> US\$
Foreign exchange adjustment, gain/(loss)	<u>1,811</u>	<u>(4,019)</u>

**12. INCOME TAX EXPENSE**

(i) Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2021 and 2020 are:

*Statement of comprehensive income:*

Current tax	<u>3,386</u>	<u>–</u>
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(ii) Relationship between tax expense and accounting profit

A reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 March 2021 and 2020 are as follows:

Profit before tax	<u>82,454</u>	<u>61,461</u>
Tax expense on profit before tax at 17%	14,017	10,448
Adjustments:		
Tax exemption	(7,072)	–
Utilisation of deferred tax assets previously not recognised	(723)	(10,448)
Under provision in respect of current year's taxation	<u>(2,836)</u>	<u>–</u>
Total tax credit	<u>3,386</u>	<u>–</u>

**13. RELATED PARTY DISCLOSURES**

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

*Significant related party transactions*

Immediate holding company

Expenses paid on behalf of	334	334
Interest expense on loan from	571,808	531,123
Loan from	<u>1,500,000</u>	<u>13,500,000</u>

#### **14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

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

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

(i) ***Interest rate risk***

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

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

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

(ii) ***Foreign currency risk***

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

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

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

As at the end of the reporting period, the foreign currencies exposure is not significant. Accordingly, foreign exchange sensitivity analysis is not prepared.

(iii) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from amount due from ultimate holding company. For cash and cash equivalents, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

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

(iv) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a level of cash to meet the obligations and commitments due to ensure cash efficiency whereby maximisation of cash flow position can be achieved.

The maturity profile of the Company's financial assets and liabilities as at the end of the reporting period based on contractual undiscounted repayment obligations is within one year.

**15. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

The following table summarises the carrying amounts of financial assets and liabilities recorded as at the end of the reporting period by FRS 109 categories:

	<b>2021</b>	<b>2020</b>
	US\$	US\$
<i>Financial assets at amortised cost</i>		
Amount due from ultimate holding company	2,219	2,219
Cash and cash equivalents	15,085,354	15,004,355
	<u>15,087,573</u>	<u>15,006,574</u>
<i>Financial liabilities at amortised cost</i>		
Accrued liabilities	4,806	6,536
Amount due to immediate holding company	13,500,000	13,499,666
	<u>13,504,806</u>	<u>13,506,202</u>

**16. FAIR VALUE OF ASSETS AND LIABILITIES**

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

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

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

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



**Notes to the Financial Statements – 31 March 2021**

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**17. CAPITAL MANAGEMENT**

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to its shareholder, return capital to its shareholder or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2021 and 2020.

The Company is not subjected to externally imposed capital requirements.

**18. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

(i) *Loan made to P.G.P. International Pte. Ltd.*

On 1 April 2021, the Company entered into a loan agreement with a third party, P.G.P. International Pte. Ltd. to lend a sum of US\$15,000,000 at interest rate of 4.30% per annum. The loan shall be repaid on or before 31 March 2022.

(ii) *Withdrawal of fixed deposit*

On 5 April 2021, a fixed deposit of US\$190,993 was withdrawn.

(iii) *Covid-19 pandemic outbreak*

With respect to the COVID-19 Pandemic implications, the management acknowledges that, although vaccine shots have been recently developed and approved for worldwide use, and the Company taking precautionary measures in accordance with guidelines provided by the Government, there are still uncertainties on both the possibility of a further escalation of the crisis and the extent of the impact on the international economy. The extent to which pandemic will impact the Company's operations will depend on such future developments of the COVID-19 outbreak in the coming months. The advent of pandemic did not alter the management's conclusion in relation to the Going Concern assessment and it is believed that the steps and initiatives taken to date are sufficient to safeguard the Company's financial position.

Management continues to monitor any effects of the said event on the Company's results, operations and liquidity. Management does not consider that any adjustments to or further disclosures in the financial statements are required at this stage.

**19. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the director on 9 April 2021.