PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS

(Incorporated in Singapore) (Co. Reg. No.: 200403112K)

ANNUAL REPORT

For the financial year ended 31 March 2017

Audit Alliance LLP
Public Accountants
Chartered Accountants

PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS
(Incorporated in Singapore) (Co. Reg. No.: 200403112K)

ANNUAL REPORT
For the financial year ended 31 March 2017

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DIRECTORS' STATEMENT
For the financial year ended 31 March 2017

The directors present their report to the member together with the audited financial statements of the Group and Company for the financial year ended **31 March 2017**.

In the opinion of the directors,

(a) the financial statements of the Company and the consolidated financial statements of the Group as set out on pages **7 to 47** are drawn up so as to give a true and fair view of the financial position of the Company and of the Group at **31 March 2017** and the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

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

Directors

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

Kushal Narendra Desai
Gajjala Sai Sudhakar
Yeow Hong Soon

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares and debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related corporations, except as follows:

	Holdings registered in name of director or nominee	
	At 31.3.2017	At 1.4.2016
Apar Industries Ltd.		
(No. of ordinary shares)		
Kushal Narendra Desai	**6,415,899**	7,378,428

Directors' interests in shares and debentures (continued)

	Holdings registered in name of director or nominee (continued)	
	At 31.3.2017	At 1.4.2016
Apar Corporation Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**915,846**	915,846
Scope Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**2,250**	2,250
Apar Technologies Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**1**	1
Catalis World Private Limited		
(No. of ordinary shares)		
Kushal Narendra Desai	**5,000**	5,000

None of the directors holding office at 31 March 2017 had any interest in the debentures of the Company or any related Company.

Share options

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

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

Independent Auditor

The independent auditor, **Audit Alliance LLP**, has expressed its willingness to accept re–appointment.

On behalf of the directors

Gajjala Sai Sudhakar	Kushal Narendra Desai
Director	Director

Date: 29 MAY 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PETROLEUM SPECIALITIES PTE LTD
AND ITS SUBSIDIARY CORPORATIONS
Co. Reg. No.: 200403112K

Report on the Financial Statements

Our opinion

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

What we have audited

The financial statements of the Company and the Group comprise:
- the balance sheet of the Group as at 31 March 2017;
- the balance sheet of the Company as at 31 March 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

Independence

We are independent of the Group 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD. AND ITS SUBSIDIARY CORPORATIONS
Co. Reg. No.: 200403112K
(continued)

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

The engagement partner on the audit resulting in this independent auditor's report is Lee Tai Wai.

Audit Alliance LLP

AUDIT ALLIANCE LLP
Public Accountants and Chartered Accountants

Singapore,

Date: 2 9 MAY 2017

PETROLEUM SPECIALITIES PTE. LTD.
AND ITS SUBSIDIARY CORPORATIONS
Co. Reg. No.: 200403112K

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2017

	Note	Group		Company	
		2017	2016	**2017**	2016
		US$	US$	**US$**	US$
Revenue	4	**10,379,461**	12,986,941	**9,310,564**	7,925,652
Other income	5	**40,444**	395,969	**489,122**	384,639
Other losses - net	6	**(668,429)**	(8,215)	**(25,881)**	(69,891)
Expenses:					
- Purchases of inventories		**(17,345,510)**	(9,936,632)	**(8,265,337)**	(7,125,945)
- Depreciation		**(226,266)**	(11,362)	**(4,290)**	(4,072)
- Employee compensation	7	**(388,728)**	(106,784)	**(112,467)**	(106,784)
- Rental		**(98,605)**	(17,316)	**(17,341)**	(17,316)
- Professional fees		**(69,710)**	(115,574)	**(44,227)**	(46,098)
- Demurrage		**-**	66,248	**-**	66,248
- Discount allowed		**(46,711)**	(80,055)	**(46,711)**	(80,055)
- Freight charges		**(187,308)**	(307,216)	**-**	-
- Hire / rent of plant and equipment		**(4,820)**	(17,698)	**-**	-
- Insurance charges		**(55,080)**	(54,720)	**(34,316)**	(27,721)
- Management fee		**-**	(217,637)	**-**	-
- Testing / survey fees		**(20,655)**	(50,999)	**(20,655)**	(14,341)
- Sales commission		**(26,471)**	(12,649)	**(26,471)**	(12,649)
- Tank storage charges		**(242,855)**	(293,767)	**(242,855)**	(39,136)
- Finance cost	8	**(233,338)**	(1,996)	**-**	-
- Bank charges		**(31,098)**	(20,475)	**(31,098)**	(18,011)
- Other operating expenses		**(387,569)**	(473,469)	**(245,330)**	(92,459)
- Changes in inventories		**8,382,263**	(665,753)	**146,768**	(21,223)
Total expenses		**(10,982,461)**	(12,317,854)	**(8,944,330)**	(7,539,562)
(Loss) / profit before income tax		**(1,230,985)**	1,056,841	**829,475**	700,838
Income tax expense	9(a)	**(6,971)**	(179,063)	**(6,971)**	(49,443)
Discontinued operations					
Gain from discontinued operations	10	**543,588**	-	**-**	-
Total (loss) / profit		**(694,368)**	877,778	**822,504**	651,395

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For the financial year ended 31 March 2017

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Other comprehensive income:				
Currency translation differences arising from consolidation	**42,216**	5,306	**-**	-
Other comprehensive income, net of tax	**42,216**	5,306	**-**	-
Total comprehensive (losses) / income	**(652,152)**	883,084	**822,504**	651,395
Total (loss) / profit attributable to:				
Equity holders of the Company	**(697,434)**	771,848	**822,504**	651,395
Non-controlling interests	**3,066**	105,930	**-**	-
	(694,368)	877,778	**822,504**	651,395
Total comprehensive (losses) / income attributable to:				
Equity holders of the Company	**(571,033)**	775,297	**822,504**	651,395
Non-controlling interests	**(81,119)**	107,787	**-**	-
	(652,152)	883,084	**822,504**	651,395

BALANCE SHEET
As at 31 March 2017

	Note	Group		Company	
		2017	2016	**2017**	2016
		US$	US$	**US$**	US$
ASSETS					
Current assets					
Cash and cash equivalents	11	**4,065,274**	7,046,804	**3,230,222**	6,020,843
Trade and other receivables	12	**6,072,622**	4,321,117	**9,388,880**	4,923,873
Inventories	13	**8,975,438**	1,736,627	**739,943**	593,175
		19,113,334	13,104,548	**13,359,045**	11,537,891
Non-current assets					
Investment in subsidiary	14	**-**	-	**3,405,995**	3,562,580
Plant and equipment	15	**16,387,844**	5,371,442	**12,779**	17,069
Other non-current assets	16	**116,507**	4,667,084	**-**	-
		16,504,351	10,038,526	**3,418,774**	3,579,649
Total assets		**35,617,685**	23,143,074	**16,777,819**	15,117,540
LIABILITIES					
Current liabilities					
Trade and other payables	17	**12,459,250**	4,597,126	**1,607,500**	885,892
Provisions	18	**245,067**	67,845	**245,067**	67,845
Current income tax liabilities	9(b)	**49,980**	245,908	**49,980**	111,035
Total liabilities		**12,754,297**	4,910,879	**1,902,547**	1,064,772
Non-current liabilities					
Borrowings	19	**9,000,000**	3,500,000	**-**	-
Total liabilities		**21,754,297**	8,410,879	**1,902,547**	1,064,772
NET ASSETS		**13,863,388**	14,732,195	**14,875,272**	14,052,768
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	20	**59,101**	59,101	**59,101**	59,101
Currency translation reserve	21	**-**	(126,401)	**-**	-
Retained earnings		**13,804,287**	14,501,721	**14,816,171**	13,993,667
		13,863,388	14,434,421	**14,875,272**	14,052,768
Non-controlling interests		**-**	297,774	**-**	-
Total equity		**13,863,388**	14,732,195	**14,875,272**	14,052,768

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2017

Group	Note	Share capital US$	Retained earnings US$	Currency translation reserve US$	Total US$	Non-controlling interest US$	Total equity US$
2017							
Beginning of financial year		**59,101**	**14,501,721**	**(126,401)**	**14,434,421**	**297,774**	**14,732,195**
Dividend paid		-	-	-	-	(216,655)	(216,655)
Profit for the year		-	(697,434)	-	(697,434)	3,066	(694,368)
Other comprehensive income for the year		-	-	126,401	126,401	(84,185)	42,216
End of financial year		**59,101**	**13,804,287**	**-**	**13,863,388**	**-**	**13,863,388**
2016							
Beginning of financial year		**59,101**	**13,729,873**	**(129,850)**	**13,659,124**	**224,326**	**13,883,450**
Dividend paid		-	-	-	-	(34,339)	(34,339)
Profit for the year		-	771,848	-	771,848	105,930	877,778
Other comprehensive income for the year		-	-	3,449	3,449	1,857	5,306
End of financial year		**59,101**	**14,501,721**	**(126,401)**	**14,434,421**	**297,774**	**14,732,195**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the financial year ended 31 March 2017

Company	Note	Share capital US$	Retained earnings US$	Total US$
2017				
Beginning of financial year		**59,101**	**13,993,667**	**14,052,768**
Total comprehensive income for the year		-	822,504	822,504
End of financial year		**59,101**	**14,816,171**	**14,875,272**
2016				
Beginning of financial year		**59,101**	**13,342,272**	**13,401,373**
Total comprehensive income for the year		-	651,395	651,395
End of financial year		**59,101**	**13,993,667**	**14,052,768**

CONSOLIDATED STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2017

	Note	**2017**	2016
		US$	US$
Cash flows from operating activities			
(Loss) / profit before income tax		**(1,230,985)**	1,056,841
Adjustments for:			
- Depreciation	15	**226,266**	11,362
- Write off of fixed assets		**3,222**	-
- Interest income		**(30,529)**	(24,106)
- Interest expense	8	**233,338**	1,996
- Gain on discontinued operations	10	**543,588**	-
Operating cash flow before working capital changes		**(255,100)**	1,046,093
Change in working capital:			
- Inventories		**(7,238,811)**	700,361
- Trade and other receivables		**(1,642,812)**	1,822,133
- Trade and other payables		**8,030,430**	(42,508)
Cash (used in) / generated from operations		**(1,106,293)**	3,526,079
Interest paid	8	**(233,338)**	(1,996)
Income tax paid	9(b)	**(202,899)**	(127,088)
Net cash (used in) / provided by operating activities		**(1,542,530)**	3,396,995
Cash flows from investing activities			
Interest received		**30,529**	24,106
Repayment of advance to related corporation		**(108,693)**	51,954
Advance to non-related parties		**4,550,577**	(4,667,084)
Additions to property, plant and equipment		**(11,245,890)**	(5,253,935)
Net cash used in investing activities		**(6,773,477)**	(9,844,959)
Cash flows from financing activities			
Dividends paid to non-controlling interests		**(216,655)**	(34,339)
Advance from related parties		**8,916**	72,379
Proceeds from borrowings		**5,500,000**	3,500,000
Net cash provided by financing activities		**5,292,261**	3,538,040
Net decrease in cash and cash equivalents		**(3,023,746)**	(2,909,924)
Cash and cash equivalents at beginning of financial year	11	**7,046,804**	9,947,524
Effect of currency translation on cash and cash equivalents		**42,216**	9,204
Cash and cash equivalents at end of financial year	11	**4,065,274**	7,046,804

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

1. General

Petroleum Specialities Pte. Ltd. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is 4 Shenton Way, #08-03 SGX Centre 2, Singapore 068 807.

The principal activities of the Company consist of trading in petroleum based products and all kind of commodities and securities and general wholesale trade (including general importers and exporters). Principal activities of the subsidiaries are disclosed in Note 14.

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

2. Significant accounting policies

2.1 Basis preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable for the sales of goods, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

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

(i) Sales of goods

Revenue from these sales is recognised when a Group entity has delivered products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Other income

Other income is recognised when the right to receive payment is established.

2. Significant accounting policies (continued)

2.3 Group accounting

(a) Subsidiary corporations

(i) Consolidation

Subsidiary corporations are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary corporations are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed when necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

2. Significant accounting policies (continued)

2.3 Group accounting (continued)

(a) Subsidiary corporations (continued)

(ii) Acquisitions (continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with the limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Please refer to the paragraph "Investment in subsidiary corporations" for the accounting policy on investment in subsidiary in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.4 Plant and equipment

(i) Measurement

(a) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

2. Significant accounting policies (continued)

2.4 Plant and equipment (continued)

(i) Measurement (continued)

(b) Component of costs

The cost of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

(ii) Depreciation

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

	Useful lives
Computers	5 years
Furniture, Fixtures & Office Equipment	5 – 10 years
Plant and Machinery	10 -20 years
Motor vehicles	8 years
Building	30 - 60 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(iii) Subsequent expenditure

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

(iv) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other losses – net". Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2. Significant accounting policies (continued)

2.5 Investment in subsidiary corporations

Investment in subsidiary corporations is carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiary, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.6 Impairment of non-financial assets

Plant and equipment
Investments in subsidiary corporations

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

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

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

2. Significant accounting policies (continued)

2.7 Financial assets

(i) Classification

Loan and receivables

Loan and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

(ii) Recognition and derecognition

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

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

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2. Significant accounting policies (continued)

2.7 Financial assets (continued)

(v) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

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

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

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

(vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.8 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

2. Significant accounting policies (continued)

2.9 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 Fair value estimation of financial assets and liabilities

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Valuation techniques, such as discounted cash flow analyses, are used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.11 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.12 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investment in subsidiary, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

2.12 Income taxes (continued)

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity.

2.13 Provisions

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

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

2.14 Employee benefits

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

(a) Defined contribution plans

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

2. Significant accounting policies (continued)

2.14 Employee benefits (continued)

(b) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Employee leave entitlement

Employee entitlement to annual leave is recognised when they accrue to employee. No provision is made for the estimated liability for annual leave as all untilised leave are forfeited and it is not the Group's policy to permit unutilised leave to be carried forward.

2.15 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States Dollar, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other losses – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Significant accounting policies (continued)

2.15 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

2.16 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.17 Share capital

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

2.18 Dividends to Company's shareholders

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions 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.

Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in the income statement. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

4. Revenue

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Sales of goods	**10,379,461**	12,986,941	**9,310,564**	7,925,652

5. Other income

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Discount received	**-**	51,211	**-**	50,776
Interest income	**30,529**	29,971	**70,807**	39,437
Dividend income	**-**	-	**408,400**	60,780
Corporate guarantee commission	**-**	5,303	**-**	5,303
Profit share from licensee	**-**	225,191	**-**	225,191
Miscellaneous income	**9,915**	84,293	**9,915**	3,152
	40,444	395,969	**489,122**	384,639

6. Other losses - net

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
(Loss) / gain on exchange difference	**(20,712)**	71,785	**(25,881)**	10,109
Loss on hedging transaction	**-**	(80,000)	**-**	(80,000)
Loss on disposal of investment	**(647,717)**	-	**-**	-
	(668,429)	(8,215)	**(25,881)**	(69,891)

7. Employee compensation

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Wages and salaries	**388,728**	106,784	**112,467**	106,784

Key management personnel compensation is disclosed in Note 25(c).

8. Finance cost

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Interest expense	**233,338**	1,996	**-**	-

9. Income taxes

(a) Income tax expense

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Tax expense attributable to profit is made up of:				
- Current income tax	**49,980**	213,156	**49,980**	83,536
Over provision in the preceding financial year:				
- Current income tax	**(43,009)**	(34,093)	**(43,009)**	(34,093)
	6,971	179,063	**6,971**	49,443

9. Income taxes (continued)

(a) Income tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
(Loss) / profit before income tax	**(1,230,985)**	1,056,841	**829,475**	700,838
Tax calculated at a tax rate of 17% (2016: 17%)	**(209,267)**	179,663	**141,011**	119,143
Effect of :				
- Different tax rates in other countries	**171,765**	58,322	**-**	-
- Expenses not deductible for tax purposes	**179,242**	11,770	**729**	692
- Income not subject to tax	**(65,028)**	(2,019)	**(65,028)**	(1,719)
- Singapore statutory stepped income exemption	**(18,443)**	(18,857)	**(18,443)**	(18,857)
- Utilisation of capital allowance	**(1,175)**	(1,175)	**(1,175)**	(1,175)
- Over provision in prior financial year	**(43,009)**	(34,093)	**(43,009)**	(34,093)
Tax rebate	**(7,114)**	(14,548)	**(7,114)**	(14,548)
Tax charge	**6,971**	179,063	**6,971**	49,443

(b) Movements in current income tax liabilities

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Beginning of financial year	**245,908**	190,121	**111,035**	156,939
Currency translation difference	**-**	3,812	**-**	-
Income tax paid	**(202,899)**	(127,088)	**(68,026)**	(95,347)
Tax expense on profit for current financial year	**49,980**	213,156	**49,980**	83,536
Over provision in prior financial year	**(43,009)**	(34,093)	**(43,009)**	(34,093)
End of financial year	**49,980**	245,908	**49,980**	111,035

10. Discontinued operation

On 24 March 2017, the Group liquidated its subsidiary, Quantum Apar Speciality Oils Pty Ltd.

The results of the discontinued operation are as follows:

	2017
	US$
Revenue	1,340,592
Other income	25,203
Other losses – net	(28,994)
	1,336,801
Expenses	(1,307,234)
Income tax expenses	(20,807)
Discontinued operations	534,828
Profit from discontinued operation	**543,588**

11. Cash and cash equivalents

	Group		**Company**	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Cash at bank and on hand	**4,065,274**	7,046,804	**3,230,222**	6,020,843

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

Cash and cash equivalents are denominated in the following currencies:

	Group		**Company**	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Singapore Dollar	**86,089**	290,466	**86,089**	290,466
United States Dollar	**3,979,185**	6,420,860	**3,144,133**	5,730,377
Australian Dollar	**-**	335,478	**-**	-
	4,065,274	7,046,804	**3,230,222**	6,020,843

11. Cash and cash equivalents (continued)

On 24 March 2017, the Group liquidated the subsidiary Quantum Apar Speciality Oils Pty Ltd for a cash consideration of Nil. The effects of the disposal on the cash flows of the Group were:

	2017 US$
Carrying amounts of assets and liabilities disposed of	
Trade and other receivables	14,445
Total assets	14,445
Income tax liabilities	(14,445)
Total liabilities	(14,445)
Net assets derecognised	-

The aggregate cash inflows arising from the disposal of Quantum Apar Speciality Oils Pty Ltd were:

	2017 US$
Net assets disposed of (as above)	-
- Reclassification of currency translation reserve	126,401
	126,401
Loss on disposal	(647,717)
Cash proceed from disposal	(521,316)
Less: cash and cash equivalents in subsidiary disposed of	-
Net cash flow on disposal	(521,316)

12. Trade and other receivables - current

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Trade receivables:				
- subsidiary corporations	**-**	-	**-**	807,177
- non-related parties	**4,858,672**	3,535,007	**3,940,391**	2,312,727
	4,858,672	3,535,007	**3,940,391**	3,119,904
Other receivables:				
- related parties	**520,307**	416,239	**520,307**	416,239
- non-related parties	**13,454**	22,418	**-**	6,297
	533,761	438,657	**520,507**	422,536
Loan to subsidiary	**-**	-	**4,894,004**	1,347,988
Advances to supplier	**15,311**	-	**-**	-
Prepayments	**563,210**	146,380	**22,591**	20,410
Deposits	**101,668**	201,073	**11,587**	13,035
	6,072,622	4,321,117	**9,388,880**	4,923,873

Trade receivables due from subsidiary corporations and non-related parties are unsecured, non interest bearing and are generally on 30 to 120 days term.

Other receivables due from related parties and non-related parties are unsecured, interest free and repayable on demand.

Loan to subsidiary corporations are 1.5% on monthly average balance.

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

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Singapore Dollar	**520,307**	411,614	**520,307**	411,614
United States Dollar	**5,552,315**	2,678,628	**8,868,573**	4,512,259
Australian Dollar	**-**	1,230,875	**-**	-
	6,072,622	4,321,117	**9,388,880**	4,923,873

13. Inventories

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
At cost				
Finished goods	**8,975,438**	1,736,627	**739,943**	593,175

The cost of inventories recognised as an expense and included in "cost of sales" amounts to **US$8,963,247** (2016: US$10,602,385).

14. Investments in subsidiary corporations

	Company	
	2017	2016
	US$	US$
Equity investments at cost		
Quantum Apar Speciality Oils Pty Ltd	**-**	156,585
Petroleum Specialities FZE	**3,405,995**	3,405,995
	3,405,995	3,562,580

Details of significant subsidiary corporations are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Percentage of equity held 2017 %	2016 %
Quantum Apar Speciality Oils Pty Ltd [(a)]	Trading in petroleum based product such as transformer oils, white oils, process oil and other specialty oils	Australia	**-**	65
Petroleum Specialities FZE [(b)]	Manufacturing and marketing of petroleum based speciality products, all kinds of oil, lubricant and chemicals	United Arab Emirates	**100**	100

(a) Audited by LDB Audit Services Pty Ltd, Australia.
(b) Audited by AL Maqtari Auditing, United Arab Emirates.

Quantum Apar Speciality Oils Pty Ltd was deregistered on 24 March 2017.

15. Plant and equipment

Group	Building	Plant & machinery	Computers	Furniture, fixtures & office equipment	Stock of IBC	Asset under construction	Motor vehicles	Total
	US$	US$	US$	US$	US$	US$	US$	US$
2017								
Cost								
Beginning of financial year	-	-	10,982	116,884	64,771	5,328,122	18,761	5,539,520
Transfer from asset under construction to plant and equipment	2,391,140	2,936,982	-	-	-	(5,328,122)	-	-
Additions	1,939,260	9,056,193	-	139,482	-	-	110,955	11,245,890
Written off	-	-	-	(8,277)	(64,771)	-	-	(73,048)
End of financial year	4,330,400	11,993,175	10,982	248,089	-	-	129,716	16,712,362
Accumulated depreciation								
Beginning of financial year	-	-	10,840	91,527	61,549	-	4,162	168,078
Written off	-	-	-	(8,277)	(61,549)	-	-	(69,826)
Depreciation charge	24,907	150,798	142	25,741	-	-	24,678	226,266
End of financial year	24,907	150,798	10,982	108,991	-	-	28,840	324,518
Net book value								
End of financial year	**4,305,493**	**11,842,377**	**-**	**139,098**	**-**	**-**	**100,876**	**16,387,844**

15. Plant and equipment (continued)

Group	Computers	Furniture, fixtures & office equipment	Stock of IBC	Asset under construction	Motor vehicles	Total
	US$	US$	US$	US$	US$	US$
2016						
Cost						
Beginning of financial year	10,982	86,193	65,074	123,678	-	285,927
Currency translation differences	-	(39)	(303)	-	-	(342)
Additions	-	30,730	-	5,204,444	18,761	5,253,935
End of financial year	10,982	116,884	64,771	5,328,122	18,761	5,539,520
Accumulated depreciation						
Beginning of financial year	10,572	86,193	60,207	-	-	156,972
Currency translation differences	-	(39)	(217)	-	-	(256)
Depreciation charge	268	5,373	1,559	-	4,162	11,362
End of financial year	10,840	91,527	61,549	-	4,162	168,078
Net book value						
End of financial year	**142**	**25,357**	**3,222**	**5,328,122**	**14,599**	**5,371,442**

15. Plant and equipment (continued)

Company	Computers	Plant and equipment	Total
	US$	US$	US$
2017			
Cost			
Beginning and end of financial year	10,982	98,608	109,590
Accumulated depreciation			
Beginning of financial year	10,840	81,681	92,521
Depreciation charge	142	4,148	4,290
End of financial year	10,982	85,829	96,811
Net book value			
End of financial year	**-**	**12,779**	**12,779**
2016			
Cost			
Beginning of financial year	10,982	77,877	88,859
Additions	-	20,731	20,731
End of financial year	10,982	98,608	109,590
Accumulated depreciation			
Beginning of financial year	10,572	77,877	88,449
Depreciation charge	268	3,804	4,072
End of financial year	10,840	81,681	92,521
Net book value			
End of financial year	**142**	**16,927**	**17,069**

16. Other non-current assets

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Capital advance:				
- non-related parties	**116,507**	4,667,084	**-**	-

The above represents the advances given to the suppliers and contractors in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kind of oil, lubricant and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah – U.A.E.

16. Other non-current assets (continued)

Other non-current assets are denominated in the following currencies:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
United Arab Emirates Dirham	**-**	3,881,281	**-**	-
United States Dollar	**116,507**	216,873	**-**	-
Euro	**-**	568,930	**-**	-
	116,507	4,667,084	**-**	-

17. Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Trade payables:				
- holding corporation	**1,812,605**	954,005	**-**	-
- non-related parties	**10,052,576**	898,633	**1,387,215**	769,181
	11,865,181	1,852,638	**1,387,215**	769,181
Other payables:				
- holding corporation	**174,945**	87,051	**174,945**	87,051
- related parties	**-**	8,916	**13,272**	-
- non-related parties	**-**	2,614,239	**-**	-
	174,945	2,710,206	**188,217**	87,051
Accrued charges	**419,124**	34,282	**32,068**	29,660
	12,459,250	4,597,126	**1,607,500**	885,892

Trade payables due to holding corporation and non related parties are unsecured, non-interest bearing and are generally on 30 to 90 days term.

Other payables due to holding corporation, related parties and non-related parties are unsecured, interest free and repayable on demand.

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

17. Trade and other payables (continued)

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Singapore Dollar	**32,068**	29,660	**32,068**	29,660
United States Dollar	**12,427,182**	4,432,399	**1,562,160**	856,232
Australian Dollar	**-**	135,067	**13,272**	-
	12,459,250	4,597,126	**1,607,500**	885,892

18. Provisions

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Current				
Sales commission (Note (a))	**26,471**	30,469	**26,471**	30,469
Provision for profit sharing (Note (b))	**218,596**	37,376	**218,596**	37,376
	245,067	67,845	**245,067**	67,845

(a) Sales commission

Movement in sales commission is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Beginning of financial year	**30,469**	48,976	**30,469**	48,976
Provision made	**26,471**	12,649	**26,471**	12,649
Provision utilised	**(30,469)**	(31,156)	**(30,469)**	(31,156)
End of financial year	**26,471**	30,469	**26,471**	30,469

18. Provisions (continued)

(b) Provision for profit sharing

Movement in provision for profit sharing is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Beginning of financial year	**37,376**	-	**37,376**	-
Provision made	**181,220**	37,376	**181,220**	37,376
End of financial year	**218,596**	37,376	**218,596**	37,376

19. Borrowings

	Group	
	2017	2016
	US$	US$
Non-current		
Bank borrowings	**9,000,000**	3,500,000

Borrowings are denominated in United States Dollar.

(a) Security granted

Bank borrowings are secured by joint and several guarantees of Petroleum Specialities Pte Ltd and Apar Industries Limited and mortgage over specified assets situated at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah – U.A.E.

(b) Fair value of non-current borrowings

	Group	
	2017	2016
	US$	US$
Bank borrowings	**7,651,815**	1,887,844

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2017	2016
Bank borrowings	**4.75189%**	4.2171% - 4.2335%

20. Share capital

	No. of ordinary shares		Amount	
	2017	2016	**2017 US$**	2016 US$
Group and Company				
Issued share capital				
Beginning and end of financial year	**100,000**	100,000	**59,101**	59,101

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

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

21. Currency translation reserve

	Group	
	2017 US$	2016 US$
Currency translation reserve	**-**	(126,401)

Movement in currency translation reserve is as follows:

	Group	
	2017 US$	2016 US$
Beginning of financial year	**(126,401)**	(129,850)
Reclassification on disposal of a subsidiary (Note 11)	**126,401**	-
Net currency translation differences of financial statements of foreign subsidiary corporations	**-**	5,306
Less: Minority interest	**-**	(1,857)
	-	3,449
End of financial year	**-**	(126,401)

22. Contingencies

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Letter of credit	**-**	152,208	**11,000,000**	-

The letter of credit on group is given to supplier I.S.T. Molchtechnik G.M.B.H towards purchase of machinery. Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liabilities on Group's financial statements as of reporting date.

The Company do execute the Corporate Guarantee for US$11,000,000 in favour of Union Bank of India, DIFC Bank, Dubai (the Bank) as a security for the working capital facilities sanctioned by the Bank to subsidiary, Petroleum Specialities FZE.

23. Commitment

	Group	
	2017	2016
	US$	US$
Construction contract (due within 1 year)	**-**	2,090,592

The above commitment is related to construction contract in connection with setting up of manufacturing plant. Except for the above and ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known capital commitment on Group's financial statements as of reporting date.

24. Financial risk management

Financial risk factor

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

The Board of Director is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management team then establishes detailed policies such as risk identification and measurement, exposure limits and hedging strategies. Financial risk management is carried out by treasury personnel.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the management team and the Board of Directors. The information presented below is based on information received by key management.

(a) Market risk

(i) Currency risk

The Group operates in Singapore and Australia. Entities in the Group regularly transact in their respective functional currencies ("foreign currencies").

The Group business is exposed to Singapore Dollar ("SGD"). Currency risk arises when future commercial transactions recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group manages this risk by monitoring the foreign currency exchange rate movements closely to ensure that exposure is minimised.

24. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure to the SGD is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Financial assets				
Cash and cash equivalents (Note 11)	**86,089**	290,466	**86,089**	290,466
Trade and other receivables (Note 12)	**520,307**	411,614	**520,307**	411,614
	606,396	702,080	**606,396**	702,080
Financial liabilities				
Trade and other payables (Note 17)	**32,068**	29,660	**32,068**	29,660
Net financial assets	**574,328**	672,420	**574,328**	672,420
Currency exposure	**574,328**	672,420	**574,328**	672,420

At 31 March 2017, if the SGD had strengthened / weakened by **2%** (2016: 2%) against the USD with all other variables including tax rate being held constant, the Group's profit after tax for the financial year would have been **US$11,487** (2016: US$13,448) higher / lower a result of currency translation gains / losses on the un-hedged SGD denominated net financial assets.

At 31 March 2017, if the SGD had strengthened / weakened by **2%** (2016: 2%) against the USD with all other variables including tax rate being held constant, the Company's profit after tax for the financial year would have been **US$11,487** (2016: US$13,448) higher / lower a result of currency translation gains / losses on the un-hedged SGD denominated net financial assets.

(ii) Price risk

The Group and Company has insignificant exposure to equity price risk as it does not hold significant equity financial assets.

(iii) Interest rate risk

The Group is exposed to significant interest rate risk on its borrowings. The Group periodically reviews its liabilities and monitors interest rate fluctuations to ensure that the exposure to interest rate risk is within acceptable levels.

24. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The Group's borrowings at variable rates on which effective hedges have not been entered into are denominated in USD. If the USD interest rate had strengthened / weakened by **0.29%** (2016 : 0.63%) with all other variables including tax rate being held constant, the profit after tax will be lower/ higher by **US$26,100** (2016: US$22,050) as a result of higher/lower interest expense on these borrowings.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and the Company are cash and cash equivalent and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customer's payment profile and credit exposure are continuously monitored by credit controller and reported to the management and Board of Directors. The Group and the Company trade receivables comprise 17 debtors (2016: 38 debtors) and 5 debtors (2016: 4 debtors) respectively that individually represented 1% to 48% of trade receivables at balance sheet date.

The credit risk for trade receivables based on the information provided to key management is as follow:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
By geographical areas				
Australia	**39,327**	1,222,280	**39,327**	807,177
Turkey	**3,271,272**	2,312,727	**3,271,272**	2,312,727
Africa	**786,292**	-	**629,792**	-
Middle east	**761,781**	-	**-**	-
	4,858,672	3,535,007	**3,940,391**	3,119,904

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which high credit-ratings as determined by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Group.

24. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired (continued)

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The aging analysis of trade receivables past due but not impaired as follow:

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
30 or less	**1,533,649**	2,484,346	**1,533,649**	2,353,999
31 to 60 days	**431,088**	491,087	**431,088**	294,000
61 to 90 days	**2,394,673**	125,339	**1,476,392**	37,693
91 days or more	**499,262**	434,235	**499,262**	434,212
	4,858,672	3,535,007	**3,940,391**	3,119,904

(c) Liquidity risk

The Group and the Company manages liquidity risk by maintaining sufficient cash and marketable securities, and available funding through as adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of financial liabilities of the Group and the Company based on contractual undiscounted cash flows.

	Less than 1 year	Between 1 to 5 years
Group	US$	US$
At 31 March 2017		
Trade and other payables (Note 17)	**12,459,250**	**-**
Borrowings (Note 19)	**-**	**9,000,000**
	12,459,250	**9,000,000**
At 31 March 2016		
Trade and other payables (Note 17)	4,597,126	-
Borrowings (Note 19)	-	3,500,000
	4,597,126	3,500,000
Company		
At 31 March 2017		
Trade and other payables (Note 17)	**1,607,500**	**-**
At 31 March 2016		
Trade and other payables (Note 17)	885,892	-

24. Financial risk management (continued)

(d) Capital risk

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

The management monitors its capital based on net debts and total capital. Net debts are calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The gearing ratio is calculated as net debt divided by total capital.

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Net debt	**17,393,976**	1,050,322	**-**	-
Total equity	**13,863,388**	14,732,195	**14,875,272**	14,052,768
Total capital	**31,257,364**	15,782,517	**14,875,272**	14,052,768
Gearing ratio	**56%**	7%	**NIL**	NIL

The Group and Company are in compliance with all externally imposed capital requirements for the financial year ended 31 March 2016 and 2017.

(e) Financial instruments by category

	Group		Company	
	2017	2016	**2017**	2016
	US$	US$	**US$**	US$
Loans and receivables	**9,691,193**	15,888,625	**12,596,511**	10,924,306
Financial liabilities at amortised cost	**21,459,250**	8,097,126	**1,607,500**	885,892

25. Related party transactions

The following transactions took place between the Group and related parties during the financial year:

(a) Purchase and operating expenses

	Group	
	2017	2016
	US$	US$
Purchase of goods from holding corporation	**431,494**	2,621,142
Purchase of fixed assets from holding corporation	**1,607,461**	-
Rental expense charged by related parties	**17,341**	17,316
Management fees charged by related parties	**-**	217,637

(b) Payment on behalf

	Group	
	2017	2016
	US$	US$
Payment of Director's salary on behalf of related parties	**144,584**	144,082

(c) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2017	2016
	US$	US$
Wages and salaries	**77,682**	57,934
Director fee – Yeow Hong Soon	**2,155**	2,166
	79,837	60,100

26. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is Apar Industries Ltd., incorporated in India.

27. New or revised accounting standards and interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2017 and which the Group has not early adopted:

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2018*)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

(i) Rights of return - FRS 115 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation; and
(ii) Accounting for certain costs incurred in fulfilling contract – certain costs which are currently expensed may need to be recognised as an asset under FRS 115.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

27. New or revised accounting standards and interpretations (continued)

- FRS 109 *Financial instruments* (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

While the Group has yet to undertake a detailed assessment of the classification and measurement of financial assets, debt instruments currently classified as available-for-sale (AFS) financial assets would appear to satisfy the conditions for classification as at fair value through OCI and hence there will be no change to the accounting for these assets.

The other financial assets held by the Group include:
• equity instruments currently classified as AFS for which fair value through OCI election is available;
• equity investments currently measured at fair value through profit or loss which would likely to continue to be measured on the same basis under FRS 109; and
• debt instruments classified as held-to-maturity or loans and receivables and measured at amortised cost appear to meet the conditions for classification at amortised cost under FRS 109.

Accordingly, the Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

28. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of **Petroleum Specialities Pte. Ltd.** on 29 MAY 2017 .

PETROLEUM SPECIALITIES FZE
HAMRIYAH, SHARJAH – UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2017

PETROLEUM SPECIALITIES FZE
HAMRIYAH, SHARJAH – UNITED ARAB EMIRATES

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

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Directors' Report

The Board of Directors has pleasure in presenting their report and the audited financial statements for the year ended 31 March 2017.

Principal activities

The principal activities of the Establishment are unchanged since the previous year and consist of manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals.

Financial results

The table below summarizes the results of 2017 and 2016.

	31 March	
	2017	2016
	USD	USD
Sales	1,068,897	-
Gross profit	224,219	-
Gross profit margin	21%	0%
Loss for the year	(1,010,385)	(12,503)

Brief description of significant changes

There are no material changes from the last year's activities and operations.

Role of the Directors

The Directors are the Establishment's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Establishment for delivering sustainable shareholder value through its guidance and supervision of the Establishment's business. The Directors set the strategies and policies of the Establishment. They monitor performance of the Establishment's business, guide and supervise its management.

Going concern

The attached financial statements have been prepared on a going concern basis. While preparing the financial statements the management has made an assessment of the Establishment's ability to continue as a going concern. The management has not come across any evidence that causes it to believe that material uncertainties related to the events or conditions existed, which may cast significant doubt on the Establishment's ability to continue as a going concern.

Events after year end
In the opinion of the Directors no transaction or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial year and the date of this report, that is likely to affect, substantially the result of the operations or the financial position of the Establishment.

Auditor
M/s. Al Maqtari Auditing, Dubai, United Arab Emirates is willing to continue in office and a resolution to re-appoint them will be effected.

Statement of Directors' responsibilities
The applicable requirements, requires the Directors to prepare the financial statements for each financial year which presents fairly in all material respects, the financial position of the Establishment and its financial performance for the year then ended.

The audited financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Establishment and enables them to ensure that the financial statements comply with the requirements of applicable statute. The Directors also confirm that appropriate accounting policies have been selected and applied consistently in order that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Establishment's financial conditions and results of its operations.

These financial statements were approved by the Board and signed on 2 May 2017 by the authorized representatives of the Establishment.

Mr. Rishabh Kushal Desai	**Mr. Kushal Narendra Desai**
Director	**Director**

INDEPENDENT AUDITOR'S REPORT

To

The Directors,
M/S. PETROLEUM SPECIALITIES FZE,
Hamriyah Free Zone, Sharjah – United Arab Emirates

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of **M/S. PETROLEUM SPECIALITIES FZE, Hamriyah Free Zone, Sharjah, United Arab Emirates** (the "Establishment"), which comprise the statement of financial position as at 31 March 2017 and 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 present fairly, in all material respects, the financial position of the Establishment as at 31 March 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or have no realistic alternative but to do so.

The management is responsible for overseeing the Establishment's financial reporting process.

المقطري لتدقيق الحسابات عضو مستقل في مجموعة إيه جي إن الدولية التي تتكون من عدة مؤسسات محاسبة و استشارات في كافة أنحاء العالم
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الموقع على الإنترنت: www.almaqtariauditing.com

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 risk 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 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 Establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditor's report to the related disclosures in the financial statements or, if such disclosure is 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 Establishment 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 management 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.

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Reports on Other Legal and Regulatory Requirements

Further, as required by the provisions of the Emiri decree issued on 2 November 1995 for entities in Hamriyah Free Zone, Sharjah, we further confirm that, we report that:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and complied, in all material respects, with the applicable provisions of the Establishment's Memorandum and Articles of Association and of the Emiri decree;

iii) the Establishment has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account and records of the Establishment;

v) the Establishment has not purchased nor invested in shares or stocks during the year ended 31 March 2017;

vi) note 11 reflects the disclosures relating to related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Establishment has contravened during the financial year ended 31 March 2017 any of the applicable provisions of the Emiri decree issued on 2 November 1995 or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2017.

Mohandas Balakrishnan
Auditors' Registration No: 507

29 May 2017

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Financial Position
At 31 March 2017

(In United States Dollars)

	Notes	31 March 2017 USD	31 March 2016 USD
Assets			
Non-current assets			
Property, plant and equipment	3	**16,375,065**	23,029
Capital work in progress	4	**-**	5,328,122
Advance for capital assets	5	**116,507**	4,667,084
Total non-current assets		**16,491,572**	10,018,235
Current assets			
Other receivables and prepayments	6	**659,465**	305,413
Inventories	7	**8,235,495**	-
Accounts receivables	8	**918,281**	-
Bank balances and cash	9	**835,052**	537,726
Total current assets		**10,648,293**	843,139
Total Assets		**27,139,865**	10,861,374
Equity and Liabilities			
Equity			
Share capital	10	**3,405,995**	3,405,995
Accumulated losses		**(1,025,156)**	(14,771)
Owner's current account	11	**-**	-
Total Equity		**2,380,839**	3,391,224
Non-current liabilities			
Loan from a related party	11	**4,894,004**	1,347,988
Bank borrowings	12	**9,000,000**	3,500,000
Provision for end-of-service benefits	13	**7,197**	-
Total non-current liabilities		**13,901,201**	4,847,988
Current liabilities			
Other payables and accruals	14	**379,859**	83,326
Due to a related party	11	**1,812,605**	8,885
Accounts payables	15	**8,665,361**	2,529,951
Total current liabilities		**10,857,825**	2,622,162
Total Liabilities		**24,759,026**	7,470,150
Total Equity and Liabilities		**27,139,865**	10,861,374

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

The Report of the Auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 28 were approved by the Board and signed on 2 May 2017 by the authorized representatives of the Establishment.

Mr. Rishabh Kushal Desai
Director

Mr. Kushal Narendra Desai
Director

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Comprehensive Income
For the year ended 31 March 2017

(In United States Dollars)

	Notes	For the year ended 31 March 2017 USD	2016 USD
Sales	*16*	**1,068,897**	-
Cost of sales	*17*	**844,678**	-
Gross profit		**224,219**	-
General and administrative expenses	*18*	**551,704**	6,772
Selling and distribution expenses		**187,308**	-
Finance charges		**273,616**	-
Depreciation of property, plant and equipment	*3*	**221,976**	5,731
Total operating expenses		**(1,234,604)**	(12,503)
(Loss) for the year		**(1,010,385)**	(12,503)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		(1,010,385)	(12,503)

The accompanying notes form an integral part of these financial statements.
The Report of the Auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 28 were approved by the Board and signed on 2 May 2017 by the authorized representatives of the Establishment.

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Cash Flows
For the year ended 31 March 2017

(In United States Dollars)

	For the year ended 31 March	
	2017	2016
	USD	USD
Cash flows from/(used in) operating activities:		
(Loss) for the year	**(1,010,385)**	(12,503)
Adjustments for:		
Provision for end-of-service benefits	**7,197**	-
Depreciation of property, plant and equipment	**221,976**	5,731
Finance charges	**273,616**	-
Operating (loss) before changes in	**(507,596)**	(6,772)
Operating assets and liabilities		
(Increase) in other receivables and prepayments	**(354,052)**	(250,847)
(Increase) in inventories	**(8,235,495)**	-
(Increase) in accounts receivables	**(918,281)**	-
Increase in accounts and other payables	**8,235,663**	2,620,064
Net cash flows from/(used in) operating activities	**(1,779,761)**	2,362,445
Cash flows from/(used in) investing activities:		
Purchase of property, plant and equipment	**(11,245,890)**	(28,760)
Additions to capital work in progress	**-**	(5,204,444)
Advance for capital assets	**4,550,577**	(4,667,084)
Net cash flows (used in) investing activities	**(6,695,313)**	(9,900,288)
Cash flows from/(used in) financing activities:		
Net movement in owner's current account	**-**	(178,541)
Increase in share capital	**-**	3,365,170
Increase in loan from related party	**3,546,016**	1,347,988
Term loan acquired during the year	**5,500,000**	3,500,000
Finance charges paid	**(273,616)**	-
Net cash flows from financing activities	**8,772,400**	8,034,617
Net Increase in cash and cash equivalents	**297,326**	496,774
Cash and cash equivalents, beginning of the year	**537,726**	40,952
Cash and cash equivalents, end of the year	**835,052**	537,726
Represented by:		
Cash on hand (Note 9)	**9,932**	16,121
Bank balances (Note 9)	**825,120**	521,605
	835,052	537,726

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

The Report of the Auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 28 were approved by the Board and signed on 2 May 2017 by the authorized representatives of the Establishment.

RKDesai

Mr. Rishabh Kushal Desai
Director

Mr. Kushal Narendra Desai
Director

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Statement of Changes in Equity
For the year ended 31 March 2017

(In United States Dollars)

	Share Capital	Accumulated Losses	Owner's Current Account	Total
	USD	USD	USD	USD
Balance at 1 April 2015	40,825	(2,268)	178,541	217,098
Changes in Equity:				
a. Total comprehensive (loss) for the year	-	(12,503)	-	(12,503)
b. Increase in share capital	3,365,170	-	-	3,365,170
c. Net movement	-	-	(178,541)	(178,541)
Balance at 31 March 2016	3,405,995	(14,771)	-	3,391,224
Changes in Equity:				
a. Total comprehensive (loss) for the year	-	(1,010,385)	-	(1,010,385)
b. Net movement	-	-	-	-
Balance at 31 March 2017	3,405,995	(1,025,156)	-	2,380,839

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

The Report of the Auditor is set out on pages 3 to 5.

The financial statements on pages 6 to 28 were approved by the Board and signed on 2 May 2017 by the authorized representatives of the Establishment.

RK Desai

Mr. Rishabh Kushal Desai
Director

Mr. Kushal Narendra Desai
Director

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1 Legal Status and Activities

PETROLEUM SPECIALITIES FZE, ("the Establishment") is registered with the Hamriyah Free Zone Authority, Sharjah, United Arab Emirates as a free zone establishment and operates under industrial license no. 13326 issued on 18 November 2014. The Establishment's registered office is at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

The Establishment is engaged in the business of manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals. The management and control of the Establishment are vested with Mr. Rishabh Kushal Desai.

2 Significant Accounting Policies

Basis of Preparation
The financial statements of the Establishment have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the United Arab Emirates laws.

The financial statements have been prepared under historical cost convention.

These financial statements are presented in United States Dollars (USD), being the functional and presentation currency of the Establishment.

IAS 10 Events After The Reporting Period contains requirements for when events after the end of the reporting period should be adjusted in the financial statements. Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. These events can be broadly classified as:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events); and
(b) those that are indicative of conditions that arose after the reporting period (non-adjusting events).

An entity shall adjust the amounts recognised in its financial statements to reflect adjusting events after the reporting period.

An entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period. If non-adjusting events after the reporting period are material, non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

There are no events that occur between the end of the reporting period and the date when the financial statements are authorised for issue that require adjustments or special disclosures in the financial statements as on the statement of financial position date.

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2 Significant Accounting Policies (continued)

New and revised IFRSs applied with no material effect on the financial statements

The Establishment has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2016. The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Annual Improvements to IFRSs 2012-2014 cycles:

- IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations": Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.
- IFRS 7 "Financial Instruments: Disclosures": Adds additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of determining the disclosures required. Further with consequential amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", clarifies the applicability of the amendments to IFRS 7 on offsetting disclosures to condensed interim financial statements.
- IAS 19 "Employee Benefits": Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).
- IAS 34 "Interim Financial Reporting": Clarifies the meaning of 'elsewhere in the interim report' and requires a cross-reference.

Amendments to IFRS 11 "Joint Arrangements" clarify accounting for acquisitions of an Interests in Joint Operations where the activities of the operation constitute a business.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" clarify that revenue-based method of depreciation or amortisation is generally not appropriate.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.

Disclosure Initiative-Amendments to IAS 1"Presentation of Financial Statements" makes the following changes:

- Materiality: The amendments clarify that (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to the all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.
- Disaggregation and subtotals: The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes: The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented. The IASB also removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

2 Significant Accounting Policies (continued)

Amendments to IAS 27 "Separate Financial Statements" which allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost or as financial asset in accordance with IAS 39/IFRS 9 or using the equity method in an entity's separate financial statements. The amendments introduce the equity method as a third option.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures ": Clarifies the exception from preparing consolidated financial statements available to intermediate parent entities which are subsidiaries of investments entities.

New and revised standards and amendments in issue but not yet effective
Standards and amendments to standards issued but not yet effective up to the date of issuance of Establishment's financial statements are listed below. The Establishment intends to adopt these standards when they become effective.

IFRS 9 Financial Instruments (1 January 2018)
Issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase. The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements).

IFRS 15 "Revenue from Contracts with Customers"
Issued on 24 May 2014 which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations. It becomes effective for periods beginning on or after 1 January 2018.

IFRS 16 "Leases"
Issued on January 2016. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 supersedes IAS 17 'Leases' and related interpretations. It becomes effective for periods beginning on or after 1 January 2019. Earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

Amendments to IAS 7 Statement of Cash Flows
Amendments in Disclosure Initiative (that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. It becomes effective for periods beginning on or after 1 January 2017.

2 Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Establishment and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding sales taxes or duty. The Establishment assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Establishment has concluded that it is acting as a principal in all of its revenue arrangements.

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable and represents the invoiced value of goods delivered, net of trade discounts and rebates.

Current versus non-current classification

The Establishment presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Establishment classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Establishment classifies all other liabilities as non-current.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced in intervals, the Establishment recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of comprehensive income as incurred.

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2 Significant Accounting Policies (continued)

Depreciation is calculated on a straight-line and written down value basis over the estimated useful lives of the assets as follows:

Buildings	30-60 Years
Plant and Machinery	10-20 Years
Motor Vehicles	8 Years
Furniture, Fixtures and Office Equipment	5-10 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The carrying values of property, plant and equipment are reviewed for impairment at each financial year end and when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Establishment determines the classification of its financial assets at initial recognition.

Initially, financial assets should be measured at fair value (including transaction costs that are attributable to the acquisition in the case of financial assets not recorded at fair value through profit or loss).

2 Significant Accounting Policies (continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Establishment commits to purchase or sell the asset.

The Establishment's financial assets include bank balances and cash, accounts receivables, inventories and other receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables
This category is the most relevant to the Establishment. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measure at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of comprehensive income as the expense is incurred.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

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

- The rights to receive cash flows from the asset have expired; or
- The Establishment has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Establishment has transferred substantially all the risks and rewards of the asset, or (b) the Establishment has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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2 Significant Accounting Policies (continued)

When the Establishment has transferred its rights to receive cash flows from an asset or has entered in a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Establishment's continuing involvement in the asset. In that case, the Establishment also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Establishment has retained.

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 Establishment could be required to repay.

Impairment of financial assets
The Establishment assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognised in the statement of comprehensive income.

Impairment is determined as follows:
(a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
(b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
(c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

ii. Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Establishment determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Establishment's financial liabilities include accounts payables, due to a related party, loan from a related party and other payables.

2 Significant Accounting Policies (continued)

Subsequent measurement
The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Establishment that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss so designated at the initial date of recognition, and only if criteria of IAS 39 are satisfied. The Establishment has not designated any financial liability as fair value through profit or loss.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition of financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different term, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if,

- There is currently enforceable legal right to offset the recognised amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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2 Significant Accounting Policies (continued)

iv. Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transactions costs.
For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions
- Reference to the current fair value of another instrument that is substantially the same
- A discounted cash flow analysis or other valuation models.

Trade receivables
Trade receivables are stated at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery. Subsequent recoveries of amounts previously written off are credited to the statement of comprehensive income.

Inventories
Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

Costs are those expenses incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Bank balances and cash
For the purpose of the statement of cash flows, cash and cash equivalent consist of cash at hand, bank balances and bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

Provisions
Provisions are recognised when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Establishment expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2 Significant Accounting Policies (continued)

End-of-service benefits

The Establishment provides end-of-service benefits to all its employees. The entitlement of these benefits is based upon the employees' salary and length of service subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about several factors and actual results may differ from reported amounts.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies (that have the most significant effect on the amount recognised in the financial statements) are discussed in note 22.

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3 Property, plant and equipment

	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fixtures and Office Equipment	Total
	USD	USD	USD	USD	USD
Cost:					
At 1 April 2015	-	-	-	-	-
Additions	-	-	18,761	9,999	28,760
At 31 March 2016	-	-	18,761	9,999	28,760
Cost:					
At 1 April 2016	-	-	18,761	9,999	28,760
Additions	4,330,400	11,993,175	110,955	139,482	16,574,012
At 31 March 2017	**4,330,400**	**11,993,175**	**129,716**	**149,481**	**16,602,772**
Accumulated Depreciation:					
At 1 April 2015	-	-	-	-	-
Depreciation	-	-	4,162	1,569	5,731
At 31 March 2016	-	-	4,162	1,569	5,731
Accumulated Depreciation:					
At 1 April 2016	-	-	4,162	1,569	5,731
Depreciation	24,907	150,798	24,678	21,593	221,976
At 31 March 2017	**24,907**	**150,798**	**28,840**	**23,162**	**227,707**
Net carrying amount:					
At 31 March 2016	-	-	14,599	8,430	23,029
Net carrying amount:					
At 31 March 2017	**4,305,493**	**11,842,377**	**100,876**	**126,319**	**16,375,065**

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4 Capital work in progress

	31 March	
	2017	2016
	USD	USD
Balance at 1 April	**5,328,122**	123,678
Additions during the year	**-**	5,204,444
Transfer to property, plant and equipment	**(5,328,122)**	-
Balance at 31 March	**-**	5,328,122

Note: Capital work in progress represents cost incurred in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oils, lubricants and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates. During the year, the capital work in progress was transferred to property, plant and equipment.

5 Advance for capital assets

	31 March	
	2017	2016
	USD	USD
Advances to suppliers and contractors	**116,507**	4,667,084

Note: The above represents the advances given to the suppliers and contractors in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oils, lubricants and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

6 Other receivables and prepayments

	31 March	
	2017	2016
	USD	USD
Prepayments and deferrals	**540,619**	117,375
Margin deposits	**-**	158,283
Refundable deposits	**90,081**	29,755
Advances	**15,311**	-
Other receivables	**13,454**	-
	659,465	305,413

7 Inventories

	31 March	
	2017	2016
	USD	USD
Raw materials	7,921,081	-
Work in progress	16,148	-
Finished goods	243,199	-
Consumables	55,067	-
	8,235,495	-

8 Accounts receivables

	31 March	
	2017	2016
	USD	USD
Debtors (due for less than 6 months and unimpaired)	918,281	-

Unimpaired accounts receivables are expected, on the basis of past experience, to be fully recoverable.

As at 31 March 2017, there were no impaired accounts receivables 2016 : Nil)

9 Bank balances and cash

	31 March	
	2017	2016
	USD	USD
Cash on hand	9,932	16,121
Bank balances - Current accounts	825,120	521,605
	835,052	537,726

10 Share capital

Authorised, issued and paid up capital of the Establishment is AED 12,500,000 (USD 3,405,995) divided in to 12,500 shares of AED 1,000 each, fully paid and held by M/s. Petroleum Specialities PTE. LTD., Singapore.

11 Related party transactions

Related parties represent the directors and key management personnel, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Establishment's management.

Balances with related party included in the statement of financial position are as follows:

(a) Owner's current account

Owner's current account carries no interest, has no repayment terms, and accordingly considered as equity in nature. Movement in owner's current account during the year is as follows:

	31 March	
	2017	2016
	USD	USD
Balance at 1 April	-	178,541
Net movement in the account	-	(178,541)
Balance at 31 March	-	-

(b) Loan from a related party

	31 March	
	2017	2016
	USD	USD
M/s. Petroleum Specialities PTE. LTD., Singapore	**4,894,004**	1,347,988

Note: The above loan from a related party carries an interest of 1.5% per annum on monthly average balance without any fixed repayment schedule. It is subordinated against the bank borrowings (Note 12).

(c) Due to a related party

	31 March	
	2017	2016
	USD	USD
M/s. Apar Industries Limited, India	**1,812,605**	8,885

(d) Compensation of key management personnel

The remuneration of member of key management during the year were as follows:

	31 March	
	2017	2016
	USD	USD
Managerial remuneration	**41,525**	21,852

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12 Bank borrowings

	31 March	
	2017	2016
	USD	USD
Term loan	**9,000,000**	3,500,000

Note: The term loan USD 9,000,000 is to be repaid in 14 quarterly installments starting on 29 March 2018 which is 27 months from the date of facility agreement.

Bank borrowings granted to the Establishment are secured by the following:

a. Joint and several guarantees of M/s. Petroleum Specialities PTE. LTD., Singapore and M/s. Apar Industries Limited, India, related parties.

b. Mortgage over fixed assets (plant and machinery) situated at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

c. Subordination of the loan from a related party, M/s. Petroleum Specialities PTE. LTD., Singapore (note 11).

13 Provision for end-of-service benefits

	31 March	
	2017	2016
	USD	USD
Provision for end-of-service benefits, 1 April	-	-
Provided during the year	**7,197**	-
Provision for end-of-service benefits, 31 March	**7,197**	-

14 Other payables and accruals

	31 March	
	2017	2016
	USD	USD
Accruals and provisions	**298,859**	82,337
Other payables	**81,000**	989
Accruals and provisions	**379,859**	83,326

15 Accounts payables

	31 March	
	2017	2016
	USD	USD
Creditors	**8,665,361**	2,529,951

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16 Sales

	For the year ended 31 March	
	2017	2016
	USD	USD
Export sales	1,068,897	-

17 Cost of sales

	For the year ended 31 March	
	2017	2016
	USD	USD
Direct costs	844,678	-

18 General and administrative expenses

	For the year ended 31 March	
	2017	2016
	USD	USD
Salaries and other related benefits	276,261	-
Rent	81,264	-
Legal and professional, municipal and visa charges	25,483	5,348
Insurance	20,764	-
Communication	8,638	-
Travelling and conveyance	38,203	-
Other general and administrative expenses	101,091	1,424
	551,704	6,772

19 Guarantees and contingencies

	31 March	
	2017	2016
	USD	USD
Letters of credit	-	152,208

The above guarantees are issued in the ordinary course of business from which it is anticipated that no material liability will arise. In addition to the above, the Establishment has provided labour guarantees.

20 Risk Management

Risk is inherent in the Establishment's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability and each individual within the Establishment is accountable for the risk exposures relating to his or her responsibilities.

The Establishment's Director oversees the management of these risks. The Directors review and agree policies for managing each of these risks which are summarised below:

The Establishment's principal financial liabilities consist of accounts payables, due to a related party, loan from a related party and other payables. The Establishment's financial assets are bank balances and cash, accounts receivables, inventories and other receivables.

The Establishment's financial risk management process and policies relating to these risks are discussed in detail below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Establishment is not currently exposed to any significant interest rate risk.

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Establishment is exposed to credit risk from its operating activities (primarily for accounts receivables), including deposits with banks and financial institutions, and other financial instruments.

The Establishment is exposed to credit risk on its bank balances and receivables as follows:

	31 March	
	2017	2016
	USD	USD
Bank balances	**825,120**	521,605
Accounts receivables	**918,281**	-
Advance for capital assets	**116,507**	4,667,084
Margin deposits	**-**	158,283
Refundable deposits	**90,081**	29,755
Advances	**15,311**	-
Other receivables	**13,454**	-
	1,978,754	5,376,727

Bank balances

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

Accounts receivables

Credit risks related to receivables are managed subject to the Establishment's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for all customers.

The Establishment has taken credit insurance with respect to its accounts receivables.

Liquidity risk

Liquidity risk is the risk that the Establishment will encounter difficulty in meeting obligations from its financial liabilities.

The Establishment's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. The Establishment limits its liquidity risk by ensuring adequate funds from the Owner or other related parties are available.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Establishment is not exposed to any significant currency risk as most of the transactions are in United States Dollars (USD).

Capital Management

The primary objective of the Establishment's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize value to the Owner.

The Establishment manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Establishment may adjust the profit payment to the owner, return capital to the owner or issue new shares. No changes were made in the objectives, policies, or processes during the year ended 31 March 2017 and 31 March 2016. Capital comprises share capital, accumulated losses and owner's current account and is measured at USD 2,380,839 (2016: USD 3,391,224).

21 Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and cash, accounts receivables, inventories and other receivables. Financial liabilities consist of accounts payables, due to a related party, loan from a related party and other payables.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

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22 Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of accounts receivables

An estimate of the collectible amount of accounts receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis.

Amounts which are not individually significant, but which are past due, are assessed collectively and an allowance applied according to the length of time past due, based on historical recovery rates. At the statement of financial position date, gross accounts receivables were USD 918,281 (2016 : NIL). No allowance for doubtful debts was required during the year ended 31 March 2017 and 31 March 2016. Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the statement of comprehensive income.

Useful lives and depreciation of property, plant and equipment

The Establishment's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Impairment of non financial assets

The Establishment assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

23 Comparative figures

Last year's audit was carried out by another firm of auditors who has made an unqualified opinion. Certain accounts of the previous year were reclassified to conform to current year presentation.

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Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Financial Statements

For the year ended 31 March 2017

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Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816

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Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816
Statement of Profit or Loss
For the year ended 31 March 2017

	Note	2017 $	2016 $
Revenue		1,783,058	8,268,720
Other revenue		(19,003)	112,403
Cost of sales		(1,640,144)	(7,291,589)
Gross profit		**123,911**	**1,089,535**
Other income		13,961	86,564
Marketing		(200)	(643)
Selling expenses		(3,273)	(94,460)
Administration expenses		(95,073)	(477,553)
Finance Costs		-	(15,717)
Profit before income tax		**39,326**	**587,725**
Income tax expense	2	27,675	176,231
Profit for the year		**11,651**	**411,494**
Retained profits at the beginning of the financial year		811,669	533,567
Total available for appropiation		823,320	945,061
Dividends provided for or paid		(823,320)	(133,392)
		(823,320)	(133,392)
Retained profits at the end of the financial year		**-**	**811,669**

Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816
Balance Sheet as at 31 March 2017

	Note	2017 $	2016 $
Current Assets			
Cash assets	4	-	659,013
Receivables	5	26,627	1,597,082
Inventories	6	-	1,494,083
Current tax assets	7	1,048	(53,780)
Other	8	-	11,231
Total Current Assets		**27,675**	**3,707,630**
Non-Current Assets			
Property, plant and equipment	9	-	4,210
Total Non-Current Assets		**-**	**4,210**
Total Assets		**27,675**	**3,711,840**
Current Liabilities			
Payables	10	-	2,476,423
Financial liabilities	11	-	40
Current tax liabilities	12	27,675	176,231
Provisions	13	-	(52,524)
Total Current Liabilities		**27,675**	**2,600,171**
Total Liabilities		**27,675**	**2,600,171**
Net Assets (Liabilities)		**-**	**1,111,669**
Equity			
Issued capital	14	-	300,000
Retained profits		-	811,669
Total Equity		**-**	**1,111,669**

Note 1: Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Note, the company ceased trading operations during the reporting period and the directors decided to wind up the company on the 24th of March 2017. The financial statements have therefore been prepared on a liquidation basis and where possible assets have been realised and liabilities settled. The accounting policies that have been adopted in the preparation of the statements are as follows:

(a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

The company does not account for deferred tax.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost method with direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Property, Plant and Equipment (PPE)

Property, plant and equipment are carried at cost. All assets are depreciated over their useful lives to the company.

Plant and equipment is depreciated on a reducing balance basis over the assets useful life to the company, commencing when the asset is ready for use.

(d) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Revenue and Other Income

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

(h) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods and services performed in the ordinary course of business. Trade receivables are recognised at cost.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid.

Quantum Apar Speciality Oils Pty Ltd
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Notes to the Financial Statements
For the year ended 31 March 2017

Note 2: Income Tax

	2017 $	2016 $
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie income tax payable on operating profit at 30%	11,798	176,317
Add:		
Tax effect of:	-	-
- Other non-allowable items	15,877	322
	27,675	176,639
Less:		
Tax effect of:		
Increase in unrealised foreign exchange provision	-	408
Income tax expense attributable to profit from ordinary activities	**27,675**	**176,231**

Income tax expense attributable to:

	2017 $	2016 $
Ordinary activities	27,675	176,231
Extraordinary items	-	-
	27,675	**176,231**

Note 3: Dividends

	2017 $	2016 $
Dividends provided for or paid	823,320	133,392
	823,320	**133,392**

Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816
Notes to the Financial Statements
For the year ended 31 March 2017

	2017 $	2016 $

Note 4: Cash assets

Bank accounts:		
CBA Bank account	-	339,800
BOM - USD account	-	220,664
BOM - AUD account	-	98,550
	-	**659,013**

Note 5: Receivables

Current

Trade debtors	-	1,597,082
Loans to shareholders	26,627	-
	26,627	**1,597,082**

Note 6: Inventories

Current

Stock on hand	-	1,494,083
	-	**1,494,083**

Note 7: Tax Assets

Current

GST Refundable (payable)	1,048	(53,780)
	1,048	**(53,780)**

Quantum Apar Speciality Oils Pty Ltd
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Notes to the Financial Statements
For the year ended 31 March 2017

	2017 $	2016 $

Note 8: Other Assets

Current

Prepayments	-	11,231
	-	**11,231**

Note 9: Property, Plant and Equipment

Plant and equipment:		
- At cost	-	10,815
- Less: Accumulated depreciation	-	(10,815)
	-	-
Other plant and equipment:		
- At cost	-	84,633
- Less: Accumulated depreciation	-	(80,423)
	-	4,210
	-	**4,210**

Note 10: Payables

Unsecured:		
Trade creditors	-	2,470,383
Accrued expenses	-	6,040
	-	**2,476,423**

Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816
Notes to the Financial Statements
For the year ended 31 March 2017

	2017 $	2016 $

Note 11: Financial Liabilities

Current

Unsecured:		
Loan from Quantum Chemicals Pty Ltd	-	40
	-	**40**

Note 12: Tax Liabilities

Current

Taxation	27,675	176,231
	27,675	**176,231**

Note 13: Provisions

Current

Provision for foreign exchange gain/loss	-	(52,524)
	-	**(52,524)**

Note 14: Contributed Capital

300,000 ordinary shares fully paid	**-**	**300,000**

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Quantum Apar Speciality Oils Pty Ltd
ABN 35 120 536 816
Notes to the Financial Statements
For the year ended 31 March 2017

	2017 $	2016 $

Note 15: Auditors' Remuneration

	2017 $	2016 $
Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	14,605	9,631
	14,605	**9,631**

Note 16: Events Subsequent to Reporting Date

Since the end of the financial year the shareholders and directors have resolved to cease the business, liquidate all assets, pay out all liabilities and return the net proceeds to the shareholders. Note, the company was deregistered on 24 March 2017.

Note 17: Company Details

The registered office of and principle place of business of the company is:

Quantum Apar Speciality Oils Pty Ltd
70 Quantum Close
DANDENONG SOUTH
VICTORIA 3175

Quantum Apar Speciality Oils Pty Ltd

ABN 35 120 536 816

Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 31 March 2017 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Sani William Lee
Director

Dated: 21/4/2017

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Working as One

Quantum Apar Speciality Oils Pty Ltd

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Quantum Apar Speciality Oils Pty Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2017, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LDB Audit Services Pty Ltd

LDB Audit Services Pty Ltd
1-3 Albert Street
BLACKBURN VIC 3130

HILTON MILLER
DIRECTOR

Dated this 21st day of April 2017

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Working as One

Quantum Apar Speciality Oils Pty Ltd

Independent Audit Report to the members of Quantum Apar Speciality Oils Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Quantum Apar Speciality Oils Pty Ltd, which comprises the statement of balance sheet as at 31 March 2017, the statement of profit or loss, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Quantum Apar Speciality Oils Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 31 March 2017 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

LDB Audit Services Pty Ltd
ACN 123 774 569 ABN 59 123 774 569
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PO Box 550, Blackburn Vic 3130
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www.LDB.com.au

Working as One

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the basis of accounting. As stated in Note 1 to the financial report, the directors have prepared the financial report on a liquidation basis, due to the company ceasing trading operations during the reporting period and the directors deciding to wind up the company.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

L D B Audit Services Pty Ltd

LDB Audit Services Pty Ltd
1-3 Albert Street
BLACKBURN VIC 3130

HILTON MILLER
DIRECTOR

Dated this........21st..................day of.....April............2017

Independent Auditor's Report

To the Members of APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED (the 'Company'),** which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flows Statement for the period ended as that date, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS Financial Statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting Policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of Company as at 31st March 2017, and its loss, its cash flows and Statement of changes in equity for the period ended.

Report on Other Legal and Regulatory Requirements

1. As required by the.Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order,

2. As required by Section 143(3) of the Act, we report that:

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

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

(c) the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended;

(e) on the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

SHARP & TANNAN CHARTERED ACCOUNTANTS

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014. In our opinion and to the best of our information and according to the explanation given to us;

(1) the Company does not have any pending litigations as at March 31, 2017;

(2) the Company does not have any long-term contracts including derivative contracts for which there are no material foreseeable losses;

(3) there has been no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company; and

(4) the Company does not have a cash transaction during the period hence there is no disclosure has been made in its standalone Ind AS financial statements as to holdings as well as dealing in Specified Bank Notes during the period from 8 November 2016 to 30th December 2016.

For Sharp & Tannan
Chartered Accountants
Firm's registration number: 109982W

Vinayak M Padwal

Vinayak M. Padwal
Partner
Membership Number: 049639
Mumbai, 12th May 2017

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Ind AS Financial Statements for the period ended 31st March 2017, we report that;

(i) The Company does not have fixed assets hence the Paragraph 3(i) (a),(b) and (c) of the Order is not applicable to the Company.

(ii) The Company does not have inventory during the period ended March 31, 2017 hence the Paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured, to the Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013.Accordingly, the provision of Paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, the Company does not have loans, investments, guarantees and security hence the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security is not applicable.

(v) According to the information and explanations given to us and the records examined by us, the Company has not accepted any deposits from the public during the year. Accordingly, the Paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act hence the Paragraph 3(vi) is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records examined by us, there were no dues which have not been deposited with the appropriate authorities on account of any dispute as at 31st March, 2017

(viii) According to the information and explanations given to us and as per the records of the Company examined by us, the Company has not taken any loans or borrowings from financial institute and Government. The Company has not issued any debentures. Accordingly, the Paragraph 3(viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and by way of term loan. Accordingly, the Paragraph 3(ix) of the Order is not applicable to the Company.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20.

(x) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.

(xi) According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the relevant details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, the Paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan
Chartered Accountants
Firm's registration number: 109982W

Vinayak M Padwal

Vinayak M. Padwal
Partner
Membership number: 049639
Mumbai, 12th May 2017

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls Under Clause (i) of Sub- Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED** (the 'Company') as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.109982W

Vinayak M Padwal

Vinayak M. Padwal
Partner
Membership Number 049639
Mumbai, 12th May 2017

Apar Transmission & Distribution Projects Private Limited

Balance sheet as at March 31, 2017

	Note	As at March 31, 2017 ₹
ASSETS		
Non-current assets		
Property, Plant and Equipment		-
Other Intangible assets		-
Financial Assets		
Trade receivables		-
Other non-current assets	2	20,000
Other non-current assets		-
Total non current assets		20,000
Current Assets		
Inventories		-
Financial Assets		
Investments		-
Trade receivables		-
Cash and cash equivalents	3	80,000
Other current assets	4	32,597
Total current assets		112,597
TOTAL ASSETS		132,597

	Note	As at March 31, 2017 ₹
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	5	100,000
(b) Other equity	6	
Reserves & Surplus		(80,693)
Other reserves		-
Total equity		19,307
Non current liabilities		
Financial liabilities		
Long term borrowings		-
Other financial liabilities		-
Provisions		-
Deferred tax liabilities (net)		-
Other non-current liabilities		-
Total non current liabilities		-
Current liabilities		
Financial liabilities		
Borrowings	7	100,090
Trade and other payables	8	11,700
Other financial liabilities		-
Other current liabilities	9	1,500
Short term provisions		-
Total current liabilities		113,290
Total liabilities		113,290
Total Equity and Liabilities		132,597

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration
No. 109982W
by the hand of

For and on behalf of the Board of Directors

APAR TRANSMISSION & DISTRIBUTION PROJECTS PVT. LTD.

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai

Ashwin H. Shah
Chairman
DIN : 07561552

H .S. Dhanjal
Director
DIN : 07561561

Vadodara, 12th May, 2017

Apar Transmission & Distribution Projects Private Limited

Statement of profit and loss for the year ended March 31, 2017

	Note	For the year ended March 31, 2017 ₹
Revenue		
I. Revenue from Operations (Gross of excise duty)		-
II. Other income		-
III. Total Revenue		-
IV. Expenses		
Cost of materials consumed		-
Purchases of Stock-in-Trade		-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-
Excise Duty		-
Employee benefits expense		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses	10	80,693
Total Expenses		**80,693**
Less : Transfer to capital assets		-
Net total expenses		**80,693**
V. Profit Before Exceptional Items and Tax		**(80,693)**
VI. Exceptional Items		
VII. Profit Before Tax		**(80,693)**
VIII. Tax expense:		
1. Current Tax		-
2. Deferred Tax		-
3. Taxes of earlier years		-
		-
IX. Net Profit for the year (IX+X)		**(80,693)**
X.Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Items that will not be reclassified to profit or loss		-
Income tax relating to items that will not be reclassified to profit or loss		-
Items that will be reclassified to profit or loss		
Items that will not be reclassified to profit or loss		-
Income tax relating to items that will not be reclassified to profit or loss		-
XI. Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(80,693)
XII. Earnings per equity share	10	
Basic		(12.97)
Diluted		(12.97)

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration
No. 109982W
by the hand of

For and on behalf of the Board of Directors

APAR TRANSMISSION & DISTRIBUTION PROJECTS PVT. LTD.

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai

Ashwin H. Shah
Chairman
DIN : 07561552

H .S. Dhanjal
Director
DIN : 07561561

Vadodara, 12th May, 2017

Apar Transmission & Distribution Projects Private Limited

Statement of cash flows for the year ended March 31, 2017

	For the year ended March 31, 2017 ₹
Cash flow from operating activities	
Profit before tax	(80,693)
Adjustments for	
Depreciation on non current assets	-
Movement in working capital	
(Increase)/ Decrease in trade and other receivables	(52,597)
Increase/ (Decrease) in trade and other payables	11,700
(Decrease)/ Increase in other liabilities	1,500
Tax paid	
Net cash generated by / (used in) operating activities	**(120,090)**
Cash flow from investing activities	
Acquisition of property, plant and equipment	-
Net cash generated by / (used in) investing activities	**-**
Cash flow from financing activities	
Proceeds/(repayments) from short-term borrowings	100,090
Proceeds/(repayments) shares	100,000
Net cash (used in) / generated by financing activities	**200,090**
Net increase / (decrease) in cash and cash equivalents	80,000
Effect of exchanges rate changes on cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	**80,000**

Notes :

1) Cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration
No. 109982W
by the hand of

Vinayak M. Padwal
Partner
Membership No. 049639
Mumbai

APAR TRANSMISSION & DISTRIBUTION PROJECTS PVT. LTD.

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552

H .S. Dhanjal
Director
DIN : 07561561

Vadodara, 12th May, 2017

Apar Transmission & Distribution Projects Private Limited

Statement of changes in equity

(a) Equity share capital

	As at March 31, 2017 ₹	
	No. of Shares	**Amount**
Balance at the beginning of the reporting period Balance	-	-
Changes in equity share capital during the year	10,000	100,000
Balance at the end of the reporting period	10,000	100,000

(b) Other equity

	Reserves & Surplus				
For the year ended	**Retained earnings - Surplus**	**General reserve**	**Securities premium reserve**	**OCI**	**Total**
Balance at March 31, 2016	-	-	-	-	-
Total comprehensive income for the year					
Profit for the year	(80,693)				(80,693)
Other comprehensive income for the year					-
Total comprehensive income for the year	**(80,693)**	-	-	-	**(80,693)**
Transactions with the owners of the Company					
Contributions and distributions					
Dividends					
Transfer / Receipt					-
Buy back of shares					-
Balance at March 31, 2017	**(80,693)**	-	-	-	**(80,693)**

Note

i) The nature and purpose of each of the Reserves have been explained under Note 5 Other Equity

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PVT. LTD.

Apar Transmission & Distribution Projects Private Limited

Notes To The Financial Statement As At And For The Year Ended March 31, 2017

Note: 1 – Significant Accounting Policies

1. **General information**

   The Company was incorporated as Wholly owned Subsidiary of Apar Industries Limited on 26th August, 2016 to carry out the business of stringing / re-stringing etc. of Conductors and cables. Apar Industries Limited holds 100% of the Equity Share Capital of the said this WOS Company i.e. 10,000 Equity Shares of Rs. 10/- each.

2. **Basis of accounting**

   These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act/ Companies Act 1956 ("the 1956 Act"), as applicable. For all periods up to and for the year ended 31 March 2016, the Company's has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

3. **Functional and presentation currency**

   These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to two decimal places to the nearest rupee, unless otherwise indicated.

4. **Key estimates and assumptions**

   The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.
   Estimates and assumptions are required in particular for:

   - **Determination of the estimated useful lives of tangible assets**

   Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

   - **Recognition and measurement of defined benefit obligations**

   The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

   - **Recognition of deferred tax assets**

   Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

   - **Recognition and measurement of other provisions**

   The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

   - **Fair value of financial instruments**

   Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

SHARP & TANNAN ★ CHARTERED ACCOUNTANTS ★ RAVINDRA ANNEXE, MUMBAI-20.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PVT. LTD. ★

5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

§ *Level 1* : quoted prices (unadjusted) in active markets for identical assets or liabilities.

§ *Level 2* : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

§ *Level 3* : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 Standards issued but not yet effective

Ind AS 115 Revenue from Contract with Customers: In February 2015, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company's is in the process of making an assessment of the impact of Ind AS 115 upon initial application. As at the date of this report, the Company's management does not expect that the impact on the Company's results of operations and financial position will be material upon adoption of Ind AS 115.

7 Significant accounting policies followed by the company

A. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

B. Revenue

i. Sale of goods and Services

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when significant risks, rewards and controls of ownership in the goods are transferred to the buyer. Revenues are recognized when collectability of the resulting receivable is reasonably assured.

In respect of service activities, income is recognised as and when services are rendered.

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C. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company's has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

- **Superannuation Scheme**

The Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss .

D. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

Share issue expenses are written off against share premium account if any or amortized over a period of 5 years.

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E. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company's is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

F. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average method. Inventories of finished goods include excise duty as applicable.

G. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company's.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Company.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Machinery	15 Years	20 Years

H. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Enterprise resource planning cost: Cost of implementation of ERP Software including all related direct expenditure is amortized over a period of 5 years on successful implementation.

I. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

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J. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, Commodity future Contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

i. **Financial assets**

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company's commits to purchase or sell the asset.

Debt instruments at amortised cost

§ A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

§ After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

§ Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

§ In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

§ Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

§ A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

§ The rights to receive cash flows from the asset have expired, or

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§ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

§ When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

§ 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 could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

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Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

K. Leases

i. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

ii. Lease assets

Assets held by the Company under leases that transfer to the Company's substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

L. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

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M. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

N. Earnings per share

Basic Earnings per share is calculated by dividing the net profit for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

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Note 2 Other Non current Finacial Assets	31 March 2017 ₹
Unsecured, considered good	
Security deposits	20,000
	20,000

Note 3 Cash and cash equivalents	31 March 2017 ₹
On current accounts	80,000
Cash on hand	-
Cheques on hand	-
	80,000

Note 4 Other current assets	31 March 2017 ₹
Balances with statutory/government authorities	32,597
Prepayments and others	-
Others	-
	32,597

Note 5 Equity share capital	31 March 2017
a **Authorised :**	
20,000 (Previous year Nil) Equity shares of ₹ 10 each	-
TOTAL	-
b **Issued :**	
10,000 (Previous year Nil) Equity shares of ₹ 10 each	100,000
TOTAL	100,000
c **Subscribed and Paid up :**	
10,000 (Previous year Nil) Equity shares of ₹ 10 each	100,000
	100,000

d **Reconciliation of number of shares outstanding at the beginning and end of the year :**	31 March 2017
Outstanding at the beginning of the year	-
Issued during the year	10,000
Outstanding at the end of the year	10,000

e **Terms/rights attached to equity shares**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

f **Shareholders holding more than 5% shares in the company is set out below:**	31 March 2017	
	No of shares	%
Apar Industries Limited	9,999	99.99%

g **Shares Reserved for issue under options**

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

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Note 6 Other Equity

	₹
	31 March 2017
Retained earnings - Surplus	(80,693)
General reserve	-
Securities premium reserve	-
Capital reserve	-
Capital Redemption Reserve	-
	(80,693)
As per Last Balance Sheet	-
Increase/(Decrease) during the year	-
Closing Balance	(80,693)

Nature and purpose of reserves

i. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 7 Short term borrowings	**31 March 2017**
Unsecured Loans	
Packing credit loan in foreign currency from banks	-
Buyer's Credit in foreign currency	-
Loans and Advances From Related Parties	100,090
	100,090

Note 8 Trade and other payables	**31 March 2017**
Due to Micro, Small and Medium Enterprises	-
Due to other than micro and small and medium enterprises	11,700
Total	11,700

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note 9 Other current liabilities	**31 March 2017**
Statutory dues towards Government	1,500
Other payables	-
	1,500

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Note 10 Other expenses	2016-17 ₹ crore
Rates and taxes	262
Legal and professional fees	51,061
Payment to auditor	
Statutory audit fees	
Taxation matters	
Cost auditor's remuneration	
Other services	
Reimbursement of expenses	
Directors' sitting fees	-
Commission to Chairman,Managing Director and Joint Managing Director	-
Discount and rebates	-
Lease rental	20,000
CSR Activities - Donations *	-
Miscellaneous expenses	9,370
	80,693

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Note 11 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

	March 31, 2017
Profit (loss) for the year, attributable to the owners of the Company	(80,693)
Profit (loss) for the year, attributable to ordinary shareholders	(80,693)

ii. Weighted average number of ordinary shares (basic)

	Note	March 31, 2017
Issued ordinary shares 16-17		6,219
Effect of share options exercised		
Weighted average number of shares at March 31		**6,219**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2017 and as at 31/03/2016, hence diluted earnings per share is same as basic earnings per share.

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