

Company No.
956356 - X

INDO AMINES (MALAYSIA) SDN. BHD.
(956356 - X)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
31 MARCH 2014

AHMAD ABDULLAH & GOH
Chartered Accountants

Company No.
956356 - X

INDO AMINES (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS – 31 MARCH 2014

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INDO AMINES (MALAYSIA) SDN. BHD.
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DIRECTORS' REPORT AND STATEMENT BY DIRECTORS

The directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 March 2014.

PRINCIPAL ACTIVITY

The principal activity of the Company is providing technical consultancy services.

There has been no significant change in the nature of this activity during the financial year.

RESULTS

	RM
Loss for the year after taxation	(44,122)
Retained profit brought forward	59,944
Retained profit carried forward	<u>15,822</u>

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

- (a) Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and that all known bad debts had been written off and adequate allowance had been made for doubtful debts.
- (b) At the date of this report, the directors of the Company are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the Company inadequate to any substantial extent.

CURRENT ASSETS

- (a) Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Company and to the extent so ascertained, were written down to an amount they might be expected to realise.

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- (b) At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities in the financial statements of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

- (a) At the date of this report, there does not exist any contingent liability in respect of the Company that has arisen since the end of the financial year.
- (b) No contingent liability or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

- (a) The results of the operations of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.
- (b) There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the current financial year.

ISSUE OF SHARES

Pursuant to a Member's resolution passed on 26 August 2013, the Company issued 299,998 ordinary shares of RM1 each at par by capitalising a sum of RM299,998 due to the holding company. The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

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DIRECTORS OF THE COMPANY

- (a) Directors who served since the date of the last report are :-

Vijay Bhalchandra Palkar

Wong Tet Soon

Chye Bee Chin

Rahul Vijay Palkar

- (b) None of the directors in office at the end of the financial year held any interest in the shares in the Company.
- (c) The Company is a wholly-owned subsidiary of Indo Amines Limited, a company incorporated in India. Vijay Bhalchandra Palkar and Rahul Vijay Palkar by virtue of their interest in the shares in Indo Amines Limited, are deemed interested in the shares in the Company.
- (d) In accordance with the Company's Articles of Association, Wong Tet Soon retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' BENEFITS

- (a) Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the fees paid to directors) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.
- (b) Neither during nor at the end of the financial year, was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

HOLDING AND ULTIMATE HOLDING COMPANY

The directors regard Indo Amines Limited, a company incorporated in India, as the holding and ultimate holding company of the Company.

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STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 8 to 17 are drawn up in accordance with Accounting Standards for Private Entities and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2014 and of its financial performance and cash flows for the year then ended.

AUDITORS

The auditors, Messrs. Ahmad Abdullah & Goh, Chartered Accountants, have indicated their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors,

.....
VIJAY BHALCHANDRA PALKAR
Director

.....
RAHUL VIJAY PALKAR
Director

Date: **26 MAY 2014**.....

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INDO AMINES (MALAYSIA) SDN. BHD.
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STATUTORY DECLARATION

I, VIJAY BHALCHANDRA PALKAR , being the director primarily responsible for the financial management of **INDO AMINES (MALAYSIA) SDN. BHD.**, do solemnly and sincerely declare that the financial statements set out on pages 8 to 17 are to the best of my knowledge and belief correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Notaries Act, 1952.

Subscribed and solemnly declared by the
above-named VIJAY BHALCHANDRA
PALKAR at *Kalyan* this
... *26* ... day of *May* 2014.

VJPalkar

VIJAY BHALCHANDRA PALKAR

Before me:



ATTESTED BY
Achin F. Gaikap
ACHIN F. GAIKAP
B.A., LL.B
ADVOCATE & NOTARY
Mrunal Niwas, Dawadi Road,
Golavali, Tal. Kalyan, Dist. Thane

26 MAY 2014



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AHMAD ABDULLAH & GOH

Chartered Accountants

Ahmad Abdullah & Goh (AF 0381)
Suite 701, Wisma Hangsam,
Jalan Hang Lekir,
50000 Kuala Lumpur, Malaysia.

Telephone: 03-20704408
03-20704402
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDO AMINES (MALAYSIA) SDN. BHD.

Report on the Financial Statements

We have audited the financial statements of Indo Amines (Malaysia) Sdn. Bhd., which comprise the balance sheet as at 31 March 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 8 to 17.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2014 and of its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Private Entities and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the contents of this report.



AHMAD ABDULLAH & GOH AF - 0381
Chartered Accountants
Auditors



GOH KENG JUAY 461/05/15(J)
CA(M), FCA(E&W)
Partner

Kuala Lumpur,
26 MAY 2014

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INDO AMINES (MALAYSIA) SDN. BHD.
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BALANCE SHEET AT 31 MARCH 2014

	Note	2014 RM	2013 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	492,736	502,872
CURRENT ASSETS			
Sundry receivables and deposits		162	837
Fixed deposit	5	31,168	30,278
Cash and bank balances		68,324	145,425
		99,654	176,540
CURRENT LIABILITIES			
Sundry payables and accruals		16,350	14,100
Due to holding company	6	5,802	305,800
Term loan	7	8,685	8,305
Taxation		-	35,391
		30,837	363,596
NET CURRENT ASSETS/(LIABILITIES)		68,817	(187,056)
NON-CURRENT LIABILITIES			
Term loan	7	245,731	255,298
Deferred taxation	8	-	572
		245,731	255,870
NET ASSETS		315,822	59,946
EQUITY			
Share capital	9	300,000	2
Retained profit		15,822	59,944
TOTAL EQUITY		315,822	59,946

The notes set out on pages 12 to 17 form an integral part of these financial statements.

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INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 RM	2013 RM
Revenue	10	-	161,881
Other income		15,394	278
Administrative expenses		(48,633)	(59,427)
Finance cost – Term loan interest		(11,020)	(4,149)
Profit/(Loss) for the year before taxation	11	(44,259)	98,583
Taxation	12	137	(32,317)
Profit/(Loss) for the year after taxation		(44,122)	66,266

The notes set out on pages 12 to 17 form an integral part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 MARCH 2014

	Note	Share Capital RM	Retained profit RM	Total RM
Balance at 1 April 2012		2	(6,322)	(6,320)
Profit for the year		-	66,266	66,266
Balance at 31 March 2013		<u>2</u>	<u>59,944</u>	<u>59,946</u>
Balance at 1 April 2013		2	59,944	59,946
Issue of shares	9	299,998	-	299,998
Loss for the year		-	(44,122)	(44,122)
Balance at 31 March 2014		<u>300,000</u>	<u>15,822</u>	<u>315,822</u>

The notes set out on pages 12 to 17 form an integral part of these financial statements.

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INDO AMINES (MALAYSIA) SDN. BHD.
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(44,259)	98,583
Adjustments for :		
Depreciation	11,812	10,288
Interest income	(952)	(278)
Interest expense	11,020	4,149
Operating profit/(loss) before working capital changes	(22,379)	112,742
Receivables	737	50,163
Payables	2,250	249,500
Cash generated from/(used in) operations	(19,392)	412,405
Interest received	890	278
Interest paid	(11,020)	(3,123)
Tax paid	(35,826)	-
Net cash generated from/(used in) operating activities	(65,348)	409,560
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,676)	(249,160)
Net cash used in investing activities	(1,676)	(249,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
Term loan repayments	(9,187)	(1,423)
Net cash used in financing activities	(9,187)	(1,423)
Net increase/(decrease) in cash and cash equivalents	(76,211)	158,977
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	175,703	16,726
CASH AND CASH EQUIVALENTS CARRIED FORWARD	99,492	175,703
CASH AND CASH EQUIVALENTS		
Cash in hand	2,120	2,009
Cash at bank	66,204	143,416
Fixed deposit	31,168	30,278
	99,492	175,703

The notes set out on pages 12 to 17 form an integral part of these financial statements.

INDO AMINES (MALAYSIA) SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014

1. GENERAL INFORMATION

- (a) The principal activity of the Company is providing technical consultancy services.
- (b) The Company is a private limited liability company, incorporated and domiciled in Malaysia.
- (c) The registered office of the Company is located at Suite 702, Wisma Hangsam, Jalan Hang Lekir, 50000 Kuala Lumpur.
- (d) The principal place of business of the Company is located at D-18-12 Casa Suites, No.1, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.
- (e) The Company is a wholly-owned subsidiary company of Indo Amines Limited, a company incorporated in India.
- (f) The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors passed on 26 MAY 2014

2. BASIS OF PREPARATION

The financial statements of the Company are prepared in accordance with Accounting Standards for Private Entities and the Companies Act, 1965 in Malaysia.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention.

(b) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property, plant and equipment comprises their purchase cost and any incidental cost of acquisition. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Depreciation is calculated on the straight line basis at rates calculated to write off the cost of the assets over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are as follows :-

Freehold Apartment	2%
Furniture and fittings	33.33%

(c) Taxation

The tax expense in the income statement comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred taxation is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred taxation is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

(d) Revenue Recognition

- (i) Revenue from technical consultancy services is recognised when the services are rendered.
- (ii) Interest income is recognised on the accrual basis.
- (iii) Rental income is recognised on the accrual basis.

(e) Cash Flow Statement

The Company adopts the indirect method in the preparation of the cash flow statement. Cash and cash equivalents represent cash and bank balances and fixed deposit.

(f) Share Capital

Ordinary shares are presented as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

4. PROPERTY, PLANT AND EQUIPMENT

Details are as follows:-

	Freehold Apartment RM	Furniture and Fittings RM	Total RM
Cost			
Balance at 1.4.2013	510,000	3,160	513,160
Additions	-	1,676	1,676
Balance at 31.3.2014	<u>510,000</u>	<u>4,836</u>	<u>514,836</u>
Accumulated Depreciation			
Balance as at 1.4.2013	10,200	88	10,288
Charge for the year	10,200	1,612	11,812
Balance as at 31.3.2014	<u>20,400</u>	<u>1,700</u>	<u>22,100</u>
Net Book Value			
Balance as at 31.3.2014	<u>489,600</u>	<u>3,136</u>	<u>492,736</u>
Balance as at 31.3.2013	<u>499,800</u>	<u>3,072</u>	<u>502,872</u>
Depreciation for the year 2013	<u>10,200</u>	<u>88</u>	<u>10,288</u>

The freehold apartment is charged to a bank for a term loan facility obtained by the Company to part finance the purchase of the freehold apartment.

5. FIXED DEPOSIT

The fixed deposit placed with a licensed bank bears interest at the rate of 2.90% (2013 : 2.55%) per annum and has a maturity period of 1 month.

6. DUE TO HOLDING COMPANY

The holding company is Indo Amines Limited, a company incorporated in India. The amount due is unsecured, interest-free with no fixed terms of repayment.

7. TERM LOAN

	2014 RM	2013 RM
RM264,000 term loan	254,416	263,603
Less : Principal portion due within the next 12 months	<u>8,685</u>	<u>8,305</u>
Non-current portion	<u>245,731</u>	<u>255,298</u>

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The non-current portion of the term loan is repayable as follows :-

After one and up to two years	9,093	8,696
After two and up to five years	29,925	28,616
After five years	206,713	217,986
	<u>245,731</u>	<u>255,298</u>

- (a) The term loan is repayable by 240 monthly instalments of RM1,684 each inclusive of interest.
- (b) Interest is charged at the rate of 2% per annum below the bank's base lending rate. Interest charged during the financial year was at the rate of 4.60% per annum.
- (c) The term loan is secured by a first party legal charge over the Company's freehold apartment.

8. DEFERRED TAXATION

Details of deferred taxation are as follows :-

	2014 RM	2013 RM
Balance brought forward	(572)	-
Transfer to/(from) income statement	572	(572)
Balance carried forward	<u>-</u>	<u>(572)</u>
	2014 RM	2013 RM
Taxable temporary differences :		
Depreciation and capital allowance on property, plant and equipment	(2,464)	(2,288)
Deductible temporary differences :		
Unrelieved tax losses	23,588	-
Unabsorbed capital allowances	1,788	-
	<u>25,376</u>	<u>-</u>
Net deductible/(taxable) temporary difference	<u>22,912</u>	<u>(2,288)</u>
Deferred taxation liabilities at 25% recognised	<u>-</u>	<u>(572)</u>
Deferred taxation assets at 25% not recognised	<u>5,728</u>	<u>-</u>

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9. SHARE CAPITAL

	2014 RM	2013 RM
Authorised:		
500,000 ordinary shares of RM1 each	<u>500,000</u>	<u>500,000</u>
Issued and fully paid :		
Ordinary shares of RM1 each		
Balance brought forward	2	2
Increased during the year	<u>299,998</u>	<u>-</u>
Balance carried forward	<u>300,000</u>	<u>2</u>

Pursuant to a Member's resolution passed on 26 August 2013, the Company issued 299,998 ordinary shares of RM1 each at par by capitalising a sum of RM299,998 due to the holding company. The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

10. REVENUE

There is no revenue for the current financial year as the Company did not secure any consultancy work.

Revenue for the previous financial year represents the invoiced value of technical consultancy services rendered and excludes all other income.

11. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at after charging/(crediting) :-

	2014 RM	2013 RM
Audit fee	3,000	3,000
Directors' fees	12,000	12,000
Depreciation	11,812	10,288
Fixed deposit interest	(952)	(278)
Rental income	<u>(14,442)</u>	<u>-</u>

12. TAXATION

	2014 RM	2013 RM
Taxation for the year	-	(31,745)
Underprovision in previous year	(435)	-
Deferred taxation	<u>572</u>	<u>(572)</u>
	<u>137</u>	<u>(32,317)</u>

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Taxation is calculated at the Malaysian statutory tax rate of 25% on the estimated assessable profit for the year. A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows :-

	2014	2013
	RM	RM
Profit/(Loss) before taxation	<u>(44,259)</u>	<u>98,583</u>
Taxation at the rate of 25%	11,065	(24,646)
Non-deductible expenses	(4,765)	(7,671)
Underprovision in previous year	(435)	-
Deferred taxation assets not recognised for the current year	<u>(5,728)</u>	<u>-</u>
Tax (expense)/credit for the year	<u>137</u>	<u>(32,317)</u>

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INDO AMINES (MALAYSIA) SDN. BHD.
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DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

	2014 RM	2013 RM
Revenue		
Technical consultancy fees	-	161,881
Add: Other Income		
Fixed deposit interest	952	278
Rental income	14,442	-
	15,394	278
Less: Administrative Expenses		
Audit fee	3,000	3,000
Secretarial fee	2,400	2,400
Directors' fees	12,000	12,000
Bank charges	250	10
Accountancy fee	1,500	1,500
Taxation services fee	3,000	3,000
Stamp duties	-	1,545
Professional fees	1,250	12,786
Loan processing fee	-	2,000
Courier charges	-	172
Service tax	864	144
Travelling expenses	160	8,476
Registered office fee	200	200
Sundry expenses	50	304
Depreciation	11,812	10,288
Sewerage charges	-	168
Electricity charges	32	6
Quit rent and assessment	302	265
Maintenance charges	4,555	1,139
Water charges	51	24
Balance carried forward	41,426	59,427

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	2014	2013
	RM	RM
Balance brought forward	41,426	59,427
Penalty	459	-
Commission	2,500	-
Upkeep of premises	2,923	-
Insurance	213	-
Printing and stationery	962	-
Filing fee	150	-
	<u>48,633</u>	<u>59,427</u>
Finance cost		
Term loan interest	<u>11,020</u>	<u>4,149</u>
	<u>59,653</u>	<u>63,576</u>
Profit/(Loss) before taxation	<u>(44,259)</u>	<u>98,583</u>

This statement does not form part of the statutory financial statements.