DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Company for the financial year ended 31 March 2016.

Principal activities

The principal activities of the Company are the manufacture of biopharmaceutical products and other related activities.

The construction of the Company's biopharmaceutical manufacturing facility was completed during the year and the Company has commenced commissioning and qualification activities.

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

Results

	RM
Net loss for the year	**8,607,048**

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

In the opinion of the directors, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The directors do not recommend the payment of any dividends for the current financial year.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are :

John McCallum Marshall Shaw

Dr. Arun Suresh Chandavarkar

Kiran Mazumdar Shaw

Pan Seng Wee

Teo Jua Chi

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any 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.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
Ultimate holding company	**1 April 2015**	**Acquired**	**Sold**	**31 March, 2016**
Biocon Ltd.				
Dr. Arun Suresh Chandavarkar	2,200,000	-	-	2,200,000
John McCallum Marshall Shaw	1,407,558	-	-	1,407,558
Kiran Mazumdar Shaw	79,287,564	-	-	79,287,564

The other directors in office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the income statement and balance sheet of the Company were made out, the directors took reasonable steps :

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render :

- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Company; and
- (ii) the values attributed to the current assets in the financial statements of the Company misleading.

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

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

(e) As at the date of this report, there does not exist :

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors :

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

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

John McCallum Marshall Shaw   Kiran Mazumdar Shaw

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, John McCallum Marshall Shaw and Kiran Mazumdar Shaw, being two of the directors of Biocon Sdn. Bhd., do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 8 to 24 are drawn up in accordance with Private Entity Reporting Standards 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 2016 and of its financial performance and cash flows for the year then ended.

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

John McCallum Marshall Shaw

Kiran Mazumdar Shaw

Statutory declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Satish Arunachalam, being the officer primarily responsible for the financial management of Biocon Sdn. Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 8 to 24 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed Satish Arunachalam at)
Johor Bahru in the State of Johor on)

Satish Arunachalam

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Biocon Sdn. Bhd.

(Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Biocon Sdn. Bhd., which comprise the balance sheet as at 31 March 2016, 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 24.

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 Private Entity Reporting Standards and the Companies Act 1965, in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 about 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 control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the 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.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards 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 2016 and of its financial performance and cash flows for the year then ended.

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 purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF 0039
Chartered Accountants

Lee Ming Li
2983/03/18(J)
Chartered Accountant

Johor Bahru, Malaysia

Date: 26 April 2016

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 RM	2015 RM (restated)
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other income		10,763,608	1,289,915
Administrative expenses		(19,370,656)	(51,060,373)
Loss from operations		(8,607,048)	(49,770,458)
Finance cost		-	-
Loss before taxation	3	(8,607,048)	(49,770,458)
Taxation		-	-
Net loss for the year		**(8,607,048)**	**(49,770,458)**

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

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BALANCE SHEET AS AT 31 MARCH 2016

	Note	31.3.2016 RM	31.3.2015 RM (restated)	1.4.2014 RM
Assets				
Non-current asset				
Property, plant and equipment	4	961,874,011	834,009,777	536,955,910
Current assets				
Receivables and prepayments	5	98,629,176	23,771,503	40,228,294
Cash and bank balances	6	4,790,320	8,208,037	44,149,977
		103,419,496	31,979,540	84,378,271
Total assets		**1,065,293,507**	**865,989,317**	**621,334,181**
Equity and liabilities				
Current liabilities				
Borrowings	8	-	43,193,163	-
Payables	7	140,521,942	131,852,670	130,752,210
		140,521,942	175,045,833	130,752,210
Net current liabilities		(37,102,446)	(143,066,293)	(46,373,939)
Non-current liabilities				
Payables	7	183,389,840	131,472,712	115,289,955
Borrowings	8	630,469,838	439,951,837	315,318,043
Non-cumulative redeemable convertible preference shares	10	78,025,244	78,025,244	-
		891,884,922	649,449,793	430,607,998
Total liabilities		1,032,406,864	824,495,626	561,360,208
Net assets		32,886,643	41,493,691	59,973,973
Equity attributable to equity holder of the Company				
Share capital	9	66,527,580	66,527,580	63,373,840
Non-cumulative redeemable convertible preference shares	10	28,136,436	28,136,436	-
Accumulated losses		(61,777,373)	(53,170,325)	(3,399,867)
Total equity		32,886,643	41,493,691	59,973,973
Total equity and liabilities		**1,065,293,507**	**865,989,317**	**621,334,181**

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

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Note	Share capital RM	Non-cumulative redeemable convertible preference shares RM	Accumulated losses RM	Total RM
Opening balance at 31 March 2014		63,373,840	-	(3,399,867)	59,973,973
Issue of ordinary shares	9	3,153,740	-	-	3,153,740
Issue of non-cumulative redeemable convertible preference shares	10	-	28,136,436	-	28,136,436
Loss for the year (as previously stated)		-	-	(12,066,627)	(12,066,627)
Prior year adjustments	12	-	-	(37,703,831)	(37,703,831)
Loss for the year (as restated)		-	-	(49,770,458)	(49,770,458)
Closing balance at 31 March 2015 (as restated)		66,527,580	28,136,436	(53,170,325)	41,493,691
Opening balance at 1 April 2015 (as previously stated)		66,527,580	28,136,436	(15,466,494)	79,197,522
Prior year adjustments	12	-	-	(37,703,831)	(37,703,831)
Opening balance at 1 April 2015 (as restated)		66,527,580	28,136,436	(53,170,325)	41,493,691
Loss for the year		-	-	(8,607,048)	(8,607,048)
At 31 March 2016		**66,527,580**	**28,136,436**	**(61,777,373)**	**32,886,643**

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

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2016 RM	2015 RM (restated)
Cash flows from operating activities		
Loss before taxation	(8,607,048)	(49,770,458)
Adjustments for :		
Depreciation	988,583	510,916
Interest income	-	(7,901)
Unrealised foreign exchange loss	1,280,442	38,012,831
Operating loss before working capital changes	(6,338,023)	(11,254,612)
Receivables	6,907,941	6,638,637
Payables	(19,782,928)	15,704,048
Net cash (used in)/generated from operating activities	(19,213,010)	11,088,073
Cash flows from investing activities		
Purchase of property, plant and equipment	(195,354,800)	(272,395,533)
Interest received	-	7,901
Net cash used in investing activities	(195,354,800)	(272,387,632)
Cash flows from financing activities		
Advance from holding company	103,730,080	16,182,757
Drawdown of borrowings	160,495,095	107,174,936
Repayment of borrowings	(30,111,406)	-
Proceeds from issuance of ordinary shares	-	3,153,740
Proceeds from issuance of non-cumulative redeemable convertible preference shares	-	106,161,680
Interest paid	(24,847,563)	(7,315,494)
Net cash generated from financing activities	209,266,206	225,357,619
Net decrease in cash and cash equivalents	(5,301,604)	(35,941,940)
Effect of exchange rate changes on cash and cash equivalents	1,883,887	-
Cash and cash equivalents at beginning of financial year	8,208,037	44,149,977
Cash and cash equivalents at end of year (Note 6)	**4,790,320**	**8,208,037**

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

1. Corporate information

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal activities of the Company are the manufacture of biopharmaceutical products and other related activities. The construction of the Company's biopharmaceutical manufacturing facility was completed during the year and the Company has commenced commissioning and qualification activities. There have been no significant changes in the nature of the principal activities during the financial year.

The holding company is Biocon Limited., a company incorporated in the Republic of India and listed on both the Bombay Stock Exchange and National Stock Exchange of India.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2016.

2. Significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention and comply with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia (RM).

As at 31 March 2016, the Company had current liabilities in excess of current assets by approximately RM37,102,000 (2015: RM143,066,000). The Company relies on its holding company for continued support to enable it to meet its obligations as and when they fall due.

(b) Malaysian Private Entities Reporting Standard

On 14 February 2014, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Private Entities Reporting Standard ("MPERS").

The Company will be required to prepare financial statements using the MPERS in its first MPERS financial statements for the year ending 31 March 2017.

In presenting its first MPERS financial statements, the Company will be required to restate the comparative financial statements to amounts reflecting the application of MPERS. The adjustments required on transition will be made, retrospectively, against opening retained profits. The financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2016 could be different if prepared under the MPERS.

At the date of these financial statements, the Company has not completed its quantification of the financial effects of the differences between Private Entity Reporting Standards and accounting standards under the MPERS due to the ongoing assessment by the Company. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2016 could be different if prepared under the MPERS.

(c) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(h).

Borrowing costs are included in the cost of self-constructed property, plant and equipment. The cost of self-constructed property, plant and equipment includes expenditure on material, compensation to employees, applicable manufacturing costs and other costs attributable to self-constructed property, plant and equipment.

Freehold land has unlimited useful life and therefore is not depreciated. Capital work in progress is not depreciated as these assets are not available for use.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and at bank, deposits at call and short term, highly liquid investments which have an insignificant risk of changes in value.

(e) Provisions for liabilities

Provisions for liabilities are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(f) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax 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 tax 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. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity.

(g) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange rate differences are taken to the income statement unless they relate to foreign currency borrowings in which case they are accounted for as borrowing costs in accordance with Note 2(i)(iii).

(h) Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised as an expense in the income statement immediately. Reversal of impairment losses recognised in prior year is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

(i) Financial instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest-bearing borrowings

Interest-bearing bank loans are recorded at the amount of proceeds received, net of transaction costs.

Borrowing costs include interest on term loans, foreign exchange differences on foreign currency loans, commitment fees and amortization of ancillary costs incurred in connection with borrowing arrangements. The ancillary costs are amortized using the effective interest rate method. Borrowing costs also include the periodic net payments on interest rate swaps that are entered into as a hedge against the Company's exposure to interest rate risk.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period they are incurred.

(iv) Equity instruments

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

(v) Non-cumulative redeemable convertible preference shares

Non-cumulative redeemable convertible preference shares ("NCRCPS") are separated into liability and equity components based on the terms of the contract.

On issuance of the NCRCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not remeasured in subsequent years.

(j) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the amount of GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Loss before taxation

Loss before taxation is arrived at after charging/(crediting):

	2016 RM	2015 RM
Auditors' remuneration	50,000	50,000
Depreciation	988,583	510,916
Foreign exchange loss/(gain)		
- realised	4,501,382	532,881
- unrealised	1,280,442	38,012,831
Interest income	-	(7,901)
Staff costs*	6,062,774	7,371,046
Rental of properties	218,929	263,597
*** Staff costs comprise:**		
Salaries, wages and bonus	5,365,516	6,701,141
Defined contribution plan	697,258	669,905
	6,062,774	**7,371,046**

4. Property, plant and equipment

	Note	Freehold land RM	Building RM	Motor vehicles and computer equipment RM	Plant and machinery RM	Capital work in progress RM	Total RM
Cost							
At 31 March/1 April 2015							
(as previously stated)		46,936,427	21,060,000	4,083,503	8,775,000	792,338,803	873,193,733
Prior year adjustment	12	-	-	-	-	(37,703,831)	(37,703,831)
At 31 March/1 April 2015 (as restated)		46,936,427	21,060,000	4,083,503	8,775,000	754,634,972	835,489,902
Additions		-	-	-	-	130,800,657	130,800,657
At 31 March 2016		46,936,427	21,060,000	4,083,503	8,775,000	885,435,629	966,290,559
Accumulated depreciation							
At 31 March/1 April 2015		-	421,200	660,061	398,864	-	1,480,125
Charge for the year		-	841,246	1,310,985	784,192	-	2,936,423
At 31 March 2016		-	1,262,446	1,971,046	1,183,056	-	4,416,548
Net book value							
At 31 March 2016		**46,936,427**	**19,797,554**	**2,112,457**	**7,591,944**	**885,435,629**	**961,874,011**
At 31 March 2015 (restated)		**46,936,427**	**20,638,800**	**3,423,442**	**8,376,136**	**754,634,972**	**834,009,777**
Depreciation charge for 2015		**-**	**421,200**	**660,061**	**398,864**	**-**	**1,480,125**

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4. Property, plant and equipment (cont'd)

The entire property, plant and equipment is pledged to the bank as security for credit facilities granted to the Company as disclosed in Note 8.

Additions/(reductions) to property, plant and equipment during the year are analysed as follows:

	2016 RM	2015 RM (restated)
Addition of property, plant and equipment	195,354,800	272,395,533
Cost reimburseable for capital work in progress incurred	(80,769,704)	-
Borrowing costs capitalised in additions	17,939,622	7,315,494
Amortisation of prepaid loan capitalised in additions	1,305,043	4,161,299
Grants received	(20,998,950)	(14,603,588)
Foreign exchange loss on term loan capitalised in additions	14,123,732	22,948,190
Depreciation capitalised in additions	1,947,840	969,209
Change in amounts due to vendors	1,898,274	5,347,855
	130,800,657	**298,533,992**
Depreciation for the year is analysed as follows:		
Recognised in profit or loss (Note 3)	988,583	510,916
Capitalised in additions to property, plant and equipment	1,947,840	969,209
	2,936,423	**1,480,125**

5. Receivables and prepayments

Deposits	972,906	1,041,600
Sundry receivables	26,087,227	9,286,394
Amount due from related company	53,373,821	-
Prepaid loan transaction costs	18,195,222	13,443,509
	98,629,176	**23,771,503**

Amounts due from related companies are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

6. Cash and bank balances

	2016 RM	2015 RM
Cash on hand and at banks	4,790,320	4,241,796
Fixed deposits with licensed bank	-	3,966,241
	4,790,320	**8,208,037**

The interest rate and maturity of the fixed deposits ranged between Nil (2015: 0.25% to 0.54%) per annum and Nil (2015: 24 to 52 days) respectively.

7. Payables

Current		
Amount due to holding company	36,093,631	3,790,689
Amount due to related company	3,449,907	2,257,686
Other payables	100,978,404	125,804,295
	140,521,942	**131,852,670**
Non-current		
Amount due to related company	**183,389,840**	**131,472,712**

The amounts due to holding and related companies are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

8. Loans and borrowings

	2016 RM	2015 RM
Current		
Secured:		
Term loan	-	**43,193,163**
Non-current		
Secured:		
Term loan	**630,469,838**	**439,951,837**
The term loan is denominated in United States Dollars ("USD") and bears interest of LIBOR + 3% per annum.		
The remaining maturity of the term loan as at 31 March 2016 is as follows:		
Less than 1 year	-	43,193,163
More than 1 year and less than 2 years	31,523,422	61,214,470
More than 2 years and less than 5 years	305,020,633	211,279,310
More than 5 years	293,925,783	167,458,057
	630,469,838	**483,145,000**

The term loan is secured by:

(a) a fixed and floating charge over all present and future assets of the Company;

(b) a charge over the freehold property of the Company; and

(c) letter of undertaking from the holding company.

Under the term loan facilities, the Company is entitled to borrow up to a maximum amount of USD200 million (2015: USD130 million). The Company has entered into floating to fixed interest rate swaps to hedge its expected exposure to interest rate risk under the term loan facility. At the balance sheet date, the aggregate nominal value of the interest rate swaps amounted to USD122.6 million (2015: USD130 million). The periodic net payments related to the interest rate swap is recognised as interest expense when incurred.

During the financial year, the Company has refinanced the existing term loan with Maybank Bhd. to Standard Chartered Bank (Hong Kong) Limited for an amount up to USD130 million. The Company will repay the loan in quarterly installments commencing from 31 March 2017.

On 6 July 2015, the Company has entered into a new term loan agreement with Standard Chartered Bank (Hong Kong) Limited for an amount up to USD70 million. The Company will repay the loan in quarterly installments commencing from 31 March 2017.

9. Share capital

	Number of ordinary shares of RM10 each		Amount	
	2016	2015	2016 RM	2015 RM
Ordinary shares				
Authorised:				
At beginning and end of financial year	10,000,000	10,000,000	100,000,000	100,000,000
Issued and fully paid:				
At beginning of financial year	6,652,758	6,337,384	66,527,580	63,373,840
Issued during the year for cash	-	315,374	-	3,153,740
At end of financial year	**6,652,758**	**6,652,758**	**66,527,580**	**66,527,580**

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

10. Non-cumulative redeemable convertible preference shares ("NCRCPS")

	Number of NCRCPS of RM 10 each		Amount	
	2016	2015	2016 RM	2015 RM
Preference shares				
Authorised:				
At beginning of financial year/end of financial year	15,000,000	15,000,000	150,000,000	150,000,000
Issued and fully paid:				
At beginning of financial year	10,616,168	-	106,161,680	-
Issued during the year for cash	-	10,616,168	-	106,161,680
At end of financial year	**10,616,168**	**10,616,168**	**106,161,680**	**106,161,680**
Presented as:				
Liability (non-current)			78,025,244	78,025,244
Equity			28,136,436	28,136,436
			106,161,680	**106,161,680**

The NCRCPS rank pari passu with one another without any preference or priority among themselves.

The salient terms of the NCRCPS are as follows:

(a) Each NCRCPS shall confer on the holder thereof a right to receive a non-cumulative coupon of 2.5% per annum, subject to the availability of the post taxation profits for distribution.

(b) The NCRCPS shall not confer any further rights of participation in the profits of the Company.

(c) The NCRCPS shall have no voting rights or rights to move or second any resolutions at any general meetings of the Company, except:

(i) upon any resolution which varies or is deemed to vary the rights and privileges attached to the NCRCPS; and

(ii) upon any resolution for the winding up of the Company.

(d) The Company shall have the rights to create or issue further NCRCPS provided always that they are issued on such terms and conditions that are agreeable by the existing NCRCPS holders.

(e) The NCRCPS shall be redeemable at par value, in full or in part, and in any number of tranches at the option of the NCRCPS shareholder at any time after ten years from the date of issue of the NCRCPS.

(f) The NCRCPS shall be convertible at par value to ordinary shares of the Company of RM10 each at any time at the option of the NCRCPS shareholder.

Based on the above terms, the Company has a potential obligation to deliver cash to the shareholders of the NCRCPS shareholder arising from the non-cumulative coupon of 2.5% per annum and the shareholders' option to redeem the NCRCPS at any time after ten years from the date of issue of the NCRCPS. Accordingly, an amount of RM78,025,244 representing the fair value of the liability component has been presented as non-current liability. The balance of RM28,136,436 has been presented as equity.

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11. Commitments

	2016 RM	2015 RM
(a) Capital commitments		
Capital expenditure approved and contracted for on property, plant and equipment	**19,552,197**	**63,462,020**
(b) Rental commitments		
Not later than 1 year	112,800	143,700
Later than 1 year and not later than 5 years	45,850	5,200
	158,650	**148,900**

12. Prior years adjustments

The following adjustments have been retrospectively made:

Adjustment

The capital work in progress was overstated in financial year 2015. In accordance to MASB 27, Borrowing cost, the exchange differences arising from foreign currency borrowings can be capitalised to the extent that they are regarded as an adjustment to interest costs. The overstatement represents the overcapitalisation of unrealised foreign exchange loss to capital work in progress in prior year.

The effects of the above adjustments are as follows:

	As previously stated RM	Adjustment RM	As restated RM
Balance sheet as at 31 March 2015			
Capital work in progress	792,338,803	37,703,831	754,634,972
Accumulated losses	(15,466,494)	(37,703,831)	(53,170,325)
Income statement for the year ended 31 March 2015			
Administrative expenses	(13,356,542)	37,703,831	(51,060,373)

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