

SARDA GLOBAL VENTURE PTE. LTD.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the company for the financial year ended 31 March 2014.

1. DIRECTORS

The directors of the company in office at the date of this report are:

Mundra Ghanshyam Das
Lee Lai Nah

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of acquisition of shares or debentures in the company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors who held office at the end of the financial year had an interest in the share capital of the company as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act, Chapter. 50 ("the Act") as stated below:

Name of directors and company in which interest are held	Number of equity shares @ Rs 10.00 each	
	At beginning of year	At end of year
Sarda Energy & Minerals Ltd (Ultimate holding company)		
Mundra Ghanshyam Das	5,820	5,820

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

SARDA GLOBAL VENTURE PTE. LTD.

REPORT OF THE DIRECTORS

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

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

6. **OPTIONS EXERCISED**

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

7. **UNISSUED SHARES UNDER OPTION**

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

8. **INDEPENDENT AUDITORS**

The independent auditors, Prudential Public Accounting Corporation, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

.....
Mundra Ghanshyam Das
Director

.....
Lee Lai Nah
Director

7 May 2014

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT BY DIRECTORS

We, being the directors of the company, do hereby state that in our opinion:-

- (a) the accompanying financial statements set out on pages 6 to 25 are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2014, and of the results of the business, changes in equity and cash flows of the company 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.

.....
Mundra Ghanshyam Das
Director

.....
Lee Lai Nah
Director

7 May 2014

SARDA GLOBAL VENTURE PTE. LTD.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the financial statements

We have audited the accompanying financial statements of **SARDA GLOBAL VENTURE PTE. LTD.**, which comprises the statement of financial position as at 31 March 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 25 for the financial year ended 31 March 2014.

Management's responsibility for 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 Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the financial statements 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 accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Auditors' responsibility – cont'd

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

Basis for qualified opinion

Due to insufficient audit evidence, we are unable to ascertain the validity, existence and completeness of the amount included in Note 8 to the financial statements in respect of trade and other receivables of US\$1,731,700. There are no other alternative audit procedures that we could adopt to ascertain the stated balances.

Qualified opinion

In our opinion, except for the effect of matter described in the Basis for qualified opinion paragraph, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to physical quantities and net realisable value, the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2014 and the results, changes in equity and cash flows of the company for the year ended on that date.

Report on other legal and regularity 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.

CORPORATION

PRUDENTIAL PUBLIC ACCOUNTING

**PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

7 May 2014

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	<u>Note</u>	<u>2014</u> <u>US\$</u>	<u>2013</u> <u>US\$</u>
ASSETS			
Current asset:			
Trade and other receivables	(8)	3,326,700	3,325,500
Bank balances	(9)	6,799	6,063
Total assets		<u>3,333,499</u>	<u>3,331,563</u>
EQUITY AND LIABILITIES			
Equity:			
Share capital	(10)	1,010,000	10,000
Accumulated losses		(390,187)	(372,221)
Total equity/(capital deficiency)		<u>619,813</u>	<u>(362,221)</u>
Current liability:			
Other payables	(11)	2,713,686	3,693,784
Total liability		<u>2,713,686</u>	<u>3,693,784</u>
Total equity and liabilities		<u>3,333,499</u>	<u>3,331,563</u>

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

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	<u>Note</u>	<u>2014</u> <u>US\$</u>	<u>2013</u> <u>US\$</u>
Revenue		1,200	-
Administrative expenses		<u>(19,166)</u>	<u>38,685</u>
(Loss)/Profit before income tax		(17,966)	38,685
Income tax expense	(12)	<u>-</u>	<u>-</u>
(Loss)/Profit for the year		(17,966)	38,685
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u>(17,966)</u>	<u>38,685</u>

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

SARDA GLOBAL VENTURE PTE. LTD.

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

	Share Capital US\$	Accumulated Losses US\$	Total US\$
Balance as at 1 April 2012	10,000	(410,906)	(400,906)
Total comprehensive income for the year	-	38,685	38,685
Balance as at 31 March 2013	10,000	(372,221)	(362,221)
Issue of share capital (Note 10)	1,000,000	-	1,000,000
Total comprehensive loss for the year	-	(17,966)	(17,966)
Balance as at 31 March 2014	<u>1,010,000</u>	<u>(390,187)</u>	<u>619,813</u>

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

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2014

	<u>2014</u> US\$	<u>2013</u> US\$
Cash flow from operating activities:		
(Loss)/Profit before income tax and working capital changes	(17,966)	38,685
Trade and other receivables	(1,200)	(370,000)
Other payables	<u>(980,098)</u>	<u>336,258</u>
Net cash (used in)/from operating activities	<u>(999,264)</u>	<u>4,943</u>
Financing activities:		
Proceeds from issue of shares	<u>1,000,000</u>	<u>-</u>
Net cash from financing activities	<u>1,000,000</u>	<u>-</u>
Net increase in bank balances	736	4,943
Bank balances at beginning of the year	<u>6,063</u>	<u>1,120</u>
Bank balances at end of year	<u>6,799</u>	<u>6,063</u>

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

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

1. GENERAL

a) Corporate Information

The company (Registration number: 200811580R) is a limited private company incorporated and domiciled in the Republic of Singapore with its registered office at:

17 Phillip Street
#05 – 01 Grand Building
Singapore 048695

The principal activities of the company are to invest in joint ventures in the business of mining, exploration and marketing of commodities.

b) Authorisation of financial statements

The financial statements of the company for the financial year ended 31 March 2014 were authorised for issue in accordance with the directors' resolution dated 7 May 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.1 Basis of Accounting – cont'd

The fair value of financial assets and liabilities are disclosed in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statement as disclosed in Note 4.

2.2 Changes in Accounting Policies

a) Adoption of new and revised FRSs and INT FRS

In the current financial year, the company has adopted the new and revised FRSs and INT FRSs issued by the ASC that are relevant to its operations and effective for annual year beginning on 1 January 2013. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

<u>Reference</u>	<u>Description</u>	<u>Effective of annual period beginning on or after</u>
FRS 32	Amendments to FRS 32: Offsetting of Financial Assets and Financial Liabilities	1 January 2014
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
FRS 39	Amendments to FRS 39: Novation of Derivative and Continuation of Hedge Accounting	1 January 2014

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Changes in Accounting Policies – cont'd

c) Improvements to FRSs issued in 2014

Improvements to FRSs issued in 2014 will become effective for the annual period beginning on or after 1 January 2014. The improvement contains amendments to numerous accounting standards that result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments. The improvements to FRS that are relevant to the company are as follows:

<u>Description</u>	<u>Subject of Amendments</u>
FRS 24 – Related Party Disclosures	Key management personnel

The directors expect that the adoption of the above improvement to FRSs will have no material impact on the financial statements in the period of initial application.

2.3 Functional and Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (“the functional currency”). The financial statements of the company are presented in Singapore dollar, which is also the functional currency of the company.

b) Foreign currency transactions

Transactions in foreign currencies have been converted into Singapore dollar at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies at the end of reporting period have been converted into Singapore dollar at the rates of exchange approximating those ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of initial transactions. Non-monetary assets and liabilities measured at fair value are measured at exchange rates ruling at the dates the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered.

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

2.5 Impairment of Non-financial Assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2.6. Income Tax

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

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6. Income Tax – cont'd

b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carryforward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carryforward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit nor taxable profit or law.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is not longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7. Related Party

A related party is a person or an entity related to the company and is further defined as follows:

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

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS24.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8. Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-taxation rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.9. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.10. Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the end of reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.1. Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

3.2. Financial Assets

Financial assets within the scope of FRS 39 are recognised on the statement of financial position when and only when the company becomes a party to the contractual provision of the financial instruments. The classification of the financial assets depends on the purpose of which the assets were required.

a) Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables and cash and bank balances are classified within loans and receivables on the statements of financial position.

i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

ii) Cash and bank balances

Cash and bank balances comprise cash on hand and total money held at bank by the company.

b) Impairment of financial assets

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

b) Impairment of financial assets – cont'd

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

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment loss not been recognised.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.3. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue cost.

b) Financial liabilities

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.3. Equity and Financial Liabilities – cont'd

c) Derecognition of financial liabilities

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

4. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

4.1. Critical Accounting Judgements

In the process of applying the company's accounting policies, management is of the opinion that there are no critical judgements involved that have significant effect on the amounts recognised in the financial statements.

4.2. Key sources of estimation uncertainties

The management is of the opinion that there are no key sources of estimation uncertainty at the end of the reporting period that have a significant effect on the amounts of assets and liabilities within the next financial year.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT

5.1 Categories of Financial Assets and Financial Liabilities

The categories of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	<u>2014</u> US\$	<u>2013</u> US\$
Financial assets		
Trade and other receivables	3,326,700	3,325,500
Bank balances	6,799	6,063
	<u>3,333,499</u>	<u>3,331,563</u>
Financial liabilities		
Other payables	<u>2,713,686</u>	<u>3,693,784</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT – cont'd

5.2 Financial Risk Management Policies and Objectives

a) Credit risk

Credit risk refers to risk that counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through bank balances and advances given to third parties in relation to future projects.

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings assigned by international credit-rating agencies.

Financial assets that are past due and/or impaired

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

b) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign currency exchange rates that may have an adverse effect on the company in the current reporting period and in the future years.

The company's operations are not exposed to foreign currency exchange rate risk as its operations are almost entirely in United States dollars.

No foreign currency sensitivity analysis is prepared as the management are of the view that the impact of changes in balances denominated in foreign currencies is immaterial.

c) Liquidity risk

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL RISKS AND MANAGEMENT – cont'd

5.2 Financial Risk Management Policies and Objectives – cont'd

c) Liquidity risk – cont'd

The company is exposed to liquidity risk. However, holding company has agreed to provide unconditional financial support to the company to enable it to discharge its obligation as and when they fall due as stated in Note 1 to the financial statements.

The following table summarises the company's remaining contractual maturity for its non-derivative financial instruments at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

2014	<u>Effective interest rate (%)</u>	<u>Less than 1 year US\$</u>	<u>Total US\$</u>
Financial liabilities			
Other payables	-	<u>2,713,686</u>	<u>2,713,686</u>
2013	<u>Effective interest rate (%)</u>	<u>Less than 1 year US\$</u>	<u>Total US\$</u>
Financial liabilities			
Other payables	-	<u>3,693,784</u>	<u>3,693,784</u>

d) Fair value of financial assets and financial liabilities

i) Estimation of fair value

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models and other models as appropriate.

ii) Fair value measurement

Management has determined that the carrying amounts of trade and other receivables, cash and cash equivalents and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

5. FINANCIAL INSTRUMENTS, FINANCIAL RISKS MANAGEMENT, OBJECTIVES, POLICIES AND CAPITAL RISKS MANAGEMENT – cont'd

5.2 Financial Risk Management Policies and Objectives – cont'd

e) Capital risk management policies and objectives

The company manages its capital to ensure that the company is able to continue as a going concern and maintains an optimal capital structure so as to maximise shareholder value.

In order to maintain or adjust the capital structure, the company may adjust the dividend payment to equity holders, issue new shares, return capital to the equity holders, obtain new borrowings or redemption of borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as borrowings plus other payables less bank balances. Total capital is calculated as equity plus net debt. The company's overall strategy remains unchanged during the year.

	<u>2014</u> US\$	<u>2013</u> US\$
Other payables	2,713,686	3,693,784
Less Bank balances	<u>(6,799)</u>	<u>(6,063)</u>
Net debt	2,706,887	3,687,721
Total equity	<u>619,813</u>	<u>(362,221)</u>
Total capital	<u>3,326,700</u>	<u>3,325,500</u>
Gearing ratio	<u>81%</u>	<u>111%</u>

The company is not subject to externally imposed capital requirements.

6. HOLDING COMPANY

The company is a wholly-owned subsidiary of Sarda Energy & Minerals Ltd, incorporated in India, which is also the company's ultimate holding company.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest free and repayable on demand.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors as that of the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest free and repayable on demand unless otherwise stated.

8. TRADE AND OTHER RECEIVABLES

	<u>2014</u> US\$	<u>2013</u> US\$
Trade receivables	6,200	5,000
Advances	50,000	50,000
Loans –third parties	1,675,500	1,675,500
Loans –related parties	<u>1,595,000</u>	<u>1,595,000</u>
	<u><u>3,326,700</u></u>	<u><u>3,325,500</u></u>

Advances pertain to payments made to professional firms to secure services in the next twelve months. Loans to third parties are unsecured, interest free and repayable on demand.

Trade receivables are non-interest bearing and they are normally settled on 90 days (2012: 90 days) term.

Analysis of trade receivables as at the reporting date is as follows:

	<u>2014</u> US\$	<u>2013</u> US\$
Not past due and not impaired	1,200	-
Past due but not impaired - more than 90 days	<u>5,000</u>	<u>5,000</u>
	<u><u>6,200</u></u>	<u><u>5,000</u></u>

These trade receivables are not secured by any collateral or credit enhancements.

The carrying amount of trade and other receivables, which approximate their fair value are denominated in United States dollars.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. **BANK BALANCES**

	<u>2014</u> US\$	<u>2013</u> US\$
Cash at bank	<u>6,799</u>	<u>6,063</u>

The carrying amount of bank balance, which approximate their fair value are denominated in United States dollars.

10. **SHARE CAPITAL**

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>Number of</u>	<u>ordinary shares</u>	<u>US\$</u>	<u>US\$</u>
Issued and paid up:				
At beginning of year	10,000	10,000	10,000	10,000
Issued during the year	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>
At end of the year	<u>1,010,000</u>	<u>10,000</u>	<u>1,010,000</u>	<u>10,000</u>

During the financial year, the company issued 1,000,000 ordinary shares at US\$1 per share for cash.

The company has one class of ordinary share, which carries no right to fixed income.

11. **OTHER PAYABLES**

	<u>2014</u> US\$	<u>2013</u> US\$
Related company (Note 7)	2,546,486	3,537,230
Holding company (Note 6)	165,000	154,554
Others	<u>2,200</u>	<u>2,000</u>
	<u>2,713,686</u>	<u>3,693,784</u>

The amount due to holding company is unsecured, interest free and repayable on demand.

The amount due to a related company is unsecured, interest-free and repayable on demand.

The carrying amounts of the other payables, which approximate their fair value are denominated in United states dollars.

12. **INCOME TAX**

	<u>2014</u> US\$	<u>2013</u> US\$
Current income tax	<u>-</u>	<u>-</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

12. INCOME TAX – Cont'd

The income tax expense varied from the amount of income tax expense determined by Singapore Income tax rate of 17% (2013: 17%) to profit before income tax as a result of the following differences:

	<u>2014</u> US\$	<u>2013</u> US\$
(Loss)/Profit before income tax	<u>(17,966)</u>	<u>38,685</u>
Income tax expenses at statutory rate of 17% (2013: 17%)	<u>(3,054)</u>	6,576
- (utilised)/unutilised tax loss carried forward	<u>3,054</u>	<u>(6,576)</u>
	<u>-</u>	<u>-</u>

The company has tax loss carry forward available for offsetting against future taxable income as follows:

	<u>2014</u> US\$	<u>2013</u> US\$
Amount at the beginning of the year	-	-
Amount in current year	<u>17,966</u>	<u>-</u>
Amount at end of year	<u>17,966</u>	<u>-</u>
Deferred tax benefit on above unrecorded	<u>3,054</u>	<u>-</u>

13. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of 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 operations of the company for the succeeding financial year.