

SARDA GLOBAL VENTURE PTE. LTD.

DIRECTOR'S STATEMENT

The sole director is pleased to present his statement to the members together with the audited financial statements of **SARDA GLOBAL VENTURE PTE. LTD.** (the "company") for the financial year ended 31 March 2018.

1. OPINION OF THE DIRECTOR

In the opinion of the director,

- (a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the company for the 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.

2. DIRECTOR

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

Lahoti Dinesh Kumar

3. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

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

4. DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

The director who held office at the end of the financial year had no interest in the shares of the company and its related corporation 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.

SARDA GLOBAL VENTURE PTE. LTD.

DIRECTOR'S STATEMENT – cont'd

5. **SHARE OPTIONS**

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

There were no shares issued during the financial year by virtue of the exercise of an option to take up unissued shares of the company.

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

6. **AUDITOR**

Prudential Public Accounting Corporation has expressed its willingness to accept re-appointment as auditor.

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Lahoti Dinesh Kumar
Director

Date: 10 May 2018

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SARDA GLOBAL VENTURE PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SARDA GLOBAL VENTURE PTE. LTD.** (the "company"), which comprise the statement of financial position as at 31 March 2018, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Qualified Opinion

The Company's investment in PT TigadayaMinergya foreign associate acquired during the year and accounted for by the equity method, is carried at **US\$3,125,084** on the statement of financial position as at 31 March 2018, and the Company's share of the associate's loss amounting to **US\$243,564** is included in the statement of comprehensive income for the year then ended. As stated in Note 9 to the financial statements, the associate's results for the period from 1 January 2018 to 31 March 2018 were not available. Therefore, we are unable to ascertain the effect of the non-inclusion of the associate's results for the aforementioned period on the financial performance of the company and the carrying amount of the associate on the statement of financial position. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SARDA GLOBAL VENTURE PTE. LTD. – cont'd**

Other Information – cont'd

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

Responsibilities of Management and Directors for the Financial Statements

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

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

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SARDA GLOBAL VENTURE PTE. LTD. – cont'd**

Auditor's Responsibilities for the Audit of the Financial Statements – cont'd

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

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

Report on Other Legal and Regulatory Requirements

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

**PRUDENTIAL PUBLIC ACCOUNTING CORPORATION
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

Date: 10 May 2018

SARDA GLOBAL VENTURE PTE. LTD.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	<u>Note</u>	<u>2018</u> US\$	<u>2017</u> US\$
ASSETS			
Non-current assets:			
Plant and equipment	(8)	-	-
Investment in associate	(9)	<u>3,125,084</u>	<u>-</u>
Total non-current assets		<u>3,125,084</u>	<u>-</u>
Current assets:			
Financial assets at fair value through profit or loss	(10)	1,902,409	1,862,929
Other receivables	(11)	181,430	3,427,129
Other current asset	(12)	4,961	7,655
Cash and cash equivalents	(13)	<u>12,901</u>	<u>127,418</u>
Total current assets		<u>2,101,701</u>	<u>5,425,131</u>
Total assets		<u>5,226,785</u>	<u>5,425,131</u>
EQUITY AND LIABILITIES			
Equity:			
Share capital	(14)	1,085,100	1,085,100
Accumulated losses		<u>(736,941)</u>	<u>(483,325)</u>
Total equity		<u>348,159</u>	<u>601,775</u>
Current liabilities:			
Other payables	(15)	4,459,519	3,921,513
Bank borrowing	(16)	<u>419,107</u>	<u>901,843</u>
Total liabilities		<u>4,878,626</u>	<u>4,823,356</u>
Total equity and liabilities		<u>5,226,785</u>	<u>5,425,131</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 2018

	<u>Note</u>	<u>2018</u> <u>US\$</u>	<u>2017</u> <u>US\$</u>
Revenue		-	-
Other income	(17)	300,420	340,182
Administrative expenses		(225,736)	(187,232)
Interest expenses	(18)	(11,756)	-
Other expenses		(72,458)	(15,212)
Share of loss in associate		<u>(243,564)</u>	<u>-</u>
(Loss)/profit before income tax		(253,094)	137,738
Income tax paid	(19)	<u>(522)</u>	<u>(1,807)</u>
(Loss)/profit for the year		(253,616)	135,931
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u>(253,616)</u>	<u>135,931</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 2018

	Share capital US\$	Accumulated losses US\$	Total US\$
Balance as at 1 April 2016	1,085,100	(619,256)	465,844
Total comprehensive income for the year	-	135,931	135,931
Balance as at 31 March 2017	1,085,100	(483,325)	601,775
Total comprehensive loss for the year	-	(253,616)	(253,616)
Balance as at 31 March 2018	<u>1,085,100</u>	<u>(736,941)</u>	<u>348,159</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 2018

	<u>2018</u> US\$	<u>2017</u> US\$
Cash flow from operating activities:		
(Loss)/profit before income tax	(253,094)	137,738
<u>Adjustment for:</u>		
Dividend income	(47,538)	(39,698)
Interest on bond	(29,273)	(26,701)
Interest on loan	11,756	15,212
Share of loss of associates	243,564	-
Operating loss/(profit) before working capital changes	(74,585)	86,551
Other receivables	(81,819)	(48,725)
Other payables	538,006	199,843
Other current assets	2,694	740
Cash from operating activities	384,296	238,409
Income tax	(522)	(1,807)
Net cash from operating activities	383,774	236,602
Investing activities:		
Dividend received	47,538	39,698
Interest received on bond	29,273	26,701
Financial assets at fair value through profit and loss	(39,480)	(568,631)
Investment in associate	(41,130)	-
Net cash used in investing activities	(3,799)	(502,232)
Financing activities:		
Interest on loan	(11,756)	(15,212)
Proceeds from bank borrowing	(5,064,190)	-
Repayment of bank borrowing	4,581,454	401,843
Net cash (used in)/from financing activities	(494,492)	386,631
Net (decrease)/increase in cash and cash equivalents	(114,517)	121,001
Cash and cash equivalents at beginning of the year	127,418	6,417
Cash and cash equivalents at end of year	12,901	127,418

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

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

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

1. GENERAL

a) Corporate Information

Sarda Global Venture Pte. Ltd. (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 those of wholesale of coal and metal ores and investment in mines.

b) Authorisation of financial statements

The financial statements of the company for the financial year ended 31 March 2018 were authorised for issue by the sole director on 10 May 2018.

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.

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

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 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 statements as disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new and revised FRS and INT FRS

In the current financial year, the company has adopted all the new and revised FRSs issued by the ASC that are relevant to its operations and effective from beginning of period on 1 April 2017. The adoption of these new/revised FRSs does not result in changes to the company's accounting policies and has no material effect on the financial statements except as follows:

i) Amendments to FRS 7: Statement of Cash Flows: Disclosure Initiative

The amendments require new disclosure that enable users of the financial statements to evaluate changes in liabilities from financing activities in respect of:

- a) Changes from financing cash flows;
- b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
- c) The effect of changes in foreign exchange rates;
- d) Changes in fair values; and
- e) Other changes.

The above disclosure also applies in financial assets if cash flows from those financial assets are included in cash flows from financing activities. Comparatives are not required in the first year of adoption.

As this is a disclosure requirement, the application of the amendments has no impact on the financial performance or financial position of the Company.

ii) Amendments to FRS 12: Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses.

The amendments clarify that unrealized losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences.

The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits, and when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deduction resulting from the reversal of those deductible temporary differences.

The application of the amendments has had no impact on the financial performance or financial position of the Company.

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

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 for annual periods beginning on or after</u>
FRS 104	Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 109	Amendments to FRS 109: Prepayment Features with Negative Compensation	1 January 2019
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Effective date of FRS 115	1 January 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
	Improvements to FRSs: (December 2016)	
	INT FRS 122: Foreign Currency Transactions and Advance Consideration	1 January 2018
	INT FRS 123: Uncertainty over Income Tax Treatments	1 January 2019
	Improvements to FRSs: (March 2018)	
	- Amendments to FRS 12 Income Taxes	1 January 2019

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

2.3. Foreign Currencies and Functional Currency

a) Functional and presentation currency

The management has determined that the currency of the primary economic environment in which the company operates (“the functional currency”) is the United States dollars. The financial statements of the company are presented in United States dollars.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3. Foreign Currencies and Functional Currency – cont'd

b) Foreign currency transactions

Transactions in foreign currencies are translated into United States dollars at the foreign exchange rates ruling at the date of transactions. Monetary assets and liabilities in foreign currencies at the end of the reporting period have been converted to United States dollar at the rates of exchange approximating those ruling at the end of the reporting period. Translation differences resulting from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary assets and liabilities measured at cost in foreign currencies are translated to United States dollar using the foreign exchange rate at the dates of the transactions.

2.4. Investment in Associate

Associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

On acquisition of the investment, any excess of the cost of the investment over the company's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

An investment in associate is accounted for using the equity method. Under the equity method, the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the company's share of profit or loss of the associate after the date of acquisition. The company's share of profit or loss of the associate is recognised in the company's profit or loss. Distributions received from the company's associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the company's proportionate interest in the associate arising from changes in the associate's other comprehensive income, such changes include those arising from foreign exchange translation differences. The company's share of those changes is recognised in other comprehensive income of the company.

When the company's share of losses in an associate equals or exceeds its interest in the associate, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

2.5. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable for services rendered and is recognised when the services are completed.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5. Revenue Recognition – cont'd

Dividend income is recognised when the company's right to receive has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

2.6. 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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7. 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 (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7. Income Tax – cont'd

b) Deferred tax

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences. Deferred 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 or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry forward 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, carry forward 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 or loss nor taxable profit or loss.

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

2.8. Related Parties

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 company;
 - ii) has significant influence over the company; or
 - iii) is a member of the key management personnel of the company or of a parent of the company.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8. Related Parties – cont'd

- b) An entity is related to the company if any of the following conditions applies:
- i) the entity and the company are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to the others;
 - ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
 - iii) both entities are joint ventures of the same third party;
 - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
 - vi) the entity is controlled or jointly controlled by a person identified in (a);
 - vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.
 - viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

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 entity.

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

2.9 Operating Leases

Where the company has the use of assets under operating leases, payments made under the leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2.10. 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.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.11. 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.

2.12. 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.

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 year. 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 – Recognition and Measurement, are recognised on the statement of financial position when, and only when the company becomes a party to the contractual provisions of the financial instruments. The classification of financial assets depends on the purpose of which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other receivables and cash and cash equivalents are classified as loans and receivables in the statement of financial position.

i) Other receivables

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 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 cash equivalents

Cash and cash equivalents comprise cash balances and deposits placed with financial institutions and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

b) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the near future; or on initial recognition, it is part of an identified portfolio of financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and FRS 39 Financial Instruments : Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in 'other gains and losses' line in the statement of comprehensive income. Fair value is determined in the manner described in Note 5.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

3.2. Financial Assets – cont'd

c) Impairment of financial assets

Financial assets, other than those designated at fair value through profit or loss upon initial recognition are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be 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 financial assets have been impacted.

For all other financial assets, objective evidence of impairment could include significant financial difficulty of the issuer or counter party; or default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

For financial assets measured at amortised cost, 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 was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that 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 not been recognised.

d) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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 the statement of comprehensive income.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. FINANCIAL INSTRUMENTS – cont'd

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 definitions 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.

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

b) Financial liabilities

(i) Other payables

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

(ii) Bank borrowings

Bank borrowings are presented as current liabilities unless the company has an unconditional right to defer settlement for at least 12 months after the statement of financial position date in which case they are presented as non-current liabilities.

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

c) Derecognition of financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respectively carrying amounts is recognised in profit or loss.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

4.1. Critical Judgement in applying the Company's Accounting Policies

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods sold and services rendered and of the country whose competitive forces and regulations mainly determines the sales prices of its services rendered. The functional currency of the company is determined based on management's assessment of the economic in which the entities operate and the entities' process of determining sales prices. The company measures foreign currency transactions in the functional currency of the company.

4.2. Key sources of estimation uncertainty

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

i) Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and timing of future cash flow are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the financial assets at the end of the reporting period is disclosed in various notes to the financial statements.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

4.2. Key sources of estimation uncertainty

ii) Impairment of associate

The company follows the guidance of FRS 36 in determining the recoverability of its investment in its associates. This requires assessment as to whether the carrying values of its investment can be supported by the net present values of future cash flows derived from such investment using cash flow projections which have been discounted at an appropriate rate. This determination requires significant judgement. The company determines forecasts of future cash flows based on its estimates of future revenues and operating expenses using historical and industry trends, general market conditions, forecasts and other available information.

The carrying amount of investment in associate is disclosed in Note 9 to the financial statements.

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

5.1 Categories of Financial Assets and Financial Liabilities

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

	<u>2018</u> US\$	<u>2017</u> US\$
Financial assets		
Financial assets at FVTPL	1,902,409	1,862,929
Loan and receivables:		
- Other receivables	181,430	3,320,111
- Other current asset	4,961	7,655
- Cash and cash equivalents	12,901	127,418
	<u>2,101,701</u>	<u>5,318,113</u>
Financial liabilities:		
At amortised cost:		
- Other payables	4,459,519	3,921,513
- Bank borrowings	419,107	901,843
	<u>4,878,626</u>	<u>4,823,356</u>

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meets periodically to analyse, formulate and monitor the following risk management of the company believe that the financial risks associated with these financial instruments are minimal. The company adopts a systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, monitoring and reporting of risk profile.

There has been no change to the company's exposure to these financial risks or the manner in which it manages measures the risk.

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

a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to Company resulting in a loss to the Company. No formal credit limits are imposed and credit risk is managed through regular monitoring of conduct of accounts.

At the end of the reporting period, the company has no significant concentration of credit risk. The company's bank balances are held in major financial institutions which are regulated and located in Singapore, which the management believes are of high credit quality.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amounts of that class of financial instruments presented on the statement of financial position.

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) Interest rate risk

Interest rate risk arises from the potential change in interest rate which may have an adverse effect on the company's results in the current reporting period and in the future years.

Interest rate sensitivity

The company's statement of comprehensive income and equity are not affected by the changes in interest rates as the interest bearing instruments either carry fixed interest and are measured at amortised cost or carry variable interest rates are held for short-term. Accordingly, management is of the view that the impact of any interest rate fluctuation will not be material. No interest rate sensitivity analysis has been prepared.

c) Price risk

The company is exposed to price risk arising from the bond, bond funds and equity classified as fair value through profit and loss.

Sensitivity Analysis

The sensitivity analysis below summarises the impact of 10% increase/decrease of financial assets at fair value through profit or loss. The analysis is based on the assumption that if price of the bonds, bond funds and equity has increased/decreased by 10% with all other variables held constant, the company's profit for the year ended 31 March 2018 would decrease/ increase by **US\$190,241**(2017: US\$186,293).

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

d) Foreign currency exchange rate risk – cont'd

The company transacts business in various currencies including United States dollar, Australian dollar, British Pound, Hong Kong dollar, Swiss Franc and Hong Kong dollar and therefore is exposed to foreign exchange risk. At present, the company does not have any formal policy for hedging against currency risk. Management believes that the foreign currency exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange risk in equivalents United States dollar are as follows:

	Note	2018				2017		
		SGD US\$	AUD US\$	HKD US\$	GBP US\$	SGD US\$	HKD US\$	GBP US\$
<u>Financial assets</u>								
Financial asset at fair value through profit or loss		-	83,312	45,838	-	57,633	41,619	115,983
Other receivables:								
- Cash and cash equivalents	(12)	1,066	1,076	-	-	1,090	-	53,892
- Other current asset	(11)	4,961	-	-	-	7,655	-	-
		6,027	84,388	45,838	-	66,378	41,619	169,875
<u>Financial liabilities</u>								
At amortised cost:								
- Bank borrowings	(15)	-	91,368	51,686	-	57,298	50,630	170,996
- Other payables	(14)	27,644	246	85	-	8,559	2	178
		27,644	91,614	51,771	-	65,857	50,632	171,174
Net exposure assets/(liabilities)		(21,617)	(7,226)	(5,933)	-	521	(9,013)	(1,299)

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

d) Foreign currency exchange rate risk – cont'd

Foreign currency sensitivity

A 10% increase or decrease is used when reporting foreign exchange rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

A 10% strengthening of United States dollar against the following currencies would increase/(decrease) profit or loss and equity by the amount shown below:

	<u>SGD</u> <u>US\$</u>	<u>HKD</u> <u>US\$</u>	<u>AUD</u> <u>US\$</u>	<u>GBP</u> <u>US\$</u>
<u>2018</u>				
Profit or loss	<u>(2,162)</u>	<u>(593)</u>	<u>(723)</u>	<u>-</u>
<u>2017</u>				
Profit or loss	<u>52</u>	<u>(901)</u>	<u>-</u>	<u>(130)</u>

A 10% weakening of United States dollar against the above currencies would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

e) Equity price risk management

The company is exposed to equity risks arising from equity investments classified as fair value through profit or loss financial assets.

Equity price sensitivity

The sensitivity analysis below has been determined based on the exposure to equity price risks at the end of the reporting period.

In respect of fair value through profit or loss financial assets, if equity price had been 5% higher/lower:

- The company's profit/(loss) for the year ended 31 March 2018 would increase/decrease or decrease/increase by **S\$95,120** (2017: S\$93,146).

The company's sensitivity to equity prices has not changed significantly from the prior year.

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

f) 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.

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.

2018	Effective Interest rate (%)	Undiscounted contractual cash flows	Carrying Amount
		US\$	US\$
Financial liabilities			
Other payables	-	4,459,519	4,459,519
Bank borrowings	Note 16	419,107	419,107
		4,878,626	4,878,626
2017			
	Effective Interest rate (%)	Undiscounted contractual cash flows	Carrying Amount
		US\$	US\$
Financial liabilities			
Other payables	-	3,921,513	3,921,513
Bank borrowings	Note 16	901,843	901,843
		4,823,356	4,823,356

g) Fair value of financial assets and financial liabilities

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 as appropriate.

(i) Financial assets and liabilities

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

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

g) Fair value of financial assets and financial liabilities- cont'd

(ii) Fair value of the company's financial assets that are measured at fair value on recurring basis

Some of the company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Fair value of financial assets

Financial assets/ Financial liabilities	Fair Value (US\$)				Fair value Hierarchy	Valuation technique(s) and key input(s)
	2018		2017			
	Assets	Liabilities	Assets	Liabilities		
Financial assets at fair value through P&L	1,902,409		1,862,929	-	Level 1	Quoted bid prices in an active Market

The different levels have been defined as follow:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

During the financial year ended 31 March 2018, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

The company does not anticipate that the carrying amount of the financial assets and financial liabilities recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

5.3 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.

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

5.3 Capital Risk Management Policies and Objectives – cont'd

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>2018</u> US\$	<u>2017</u> US\$
Bank borrowings	419,107	901,843
Other payables	4,459,519	3,921,513
Less: cash and cash equivalents	<u>(12,901)</u>	<u>(127,418)</u>
Net debt	4,865,725	4,695,938
Total equity	<u>348,159</u>	<u>601,775</u>
Total capital	<u>5,213,884</u>	<u>5,297,713</u>
Gearing ratio	<u>93%</u>	<u>89%</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.

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.

Key Management Personnel Compensation

The remuneration of key management personnel of the company during the financial year is as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Short-term employee benefits paid to a director	<u>153,204</u>	<u>93,795</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

8. PLANT AND EQUIPMENT

	Office Equipment	Total
	US\$	US\$
<u>Cost</u>		
At 31.03.2017 and 1.4.2017	471	471
Write off during the year	(471)	(471)
At 31.3.2018	-	-
<u>Accumulated depreciation</u>		
At 31.03.2017 and 1.4.2017	471	471
Write off during the year	(471)	(471)
At 31.3.2018	-	-
<u>Carrying amount</u>		
At 31.3.2018	-	-
At 31.3.2017	-	-

9. INVESTMENT IN ASSOCIATE

	<u>2018</u>	<u>2017</u>
	US\$	US\$
Unquoted equity shares at cost	3,368,648	-
Share of loss of associate	(243,564)	-
	<u>3,125,084</u>	<u>-</u>

On 10 July 2017, the company acquired 39,646 shares in PT. TigadayaMinergy for a consideration of US\$ 3,368,648. The consideration was settled by converting the loan receivable of US\$3,220,500 and advance payment of US\$107,018 with the balance, US\$ 41,130 paid in cash.

The financial statements of PT. TigadayaMinergy are made up to 31 December each year. The company's share of the results of the associate were for the period from 10 July 2017 to 31 December 2017, based on the associate's audited financial statements. The associate's results for the period from 1 January 2018 to 31 March 2018 were not available.

Movement in loss of associate is as follows:

	<u>2018</u>	<u>2017</u>
	US\$	US\$
At beginning of the year	-	-
Current year	243,564	-
At the end of the year	<u>243,564</u>	<u>-</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

9. INVESTMENT IN ASSOCIATE – cont'd

Details of the company's associate is as follows:

Name of company	Country of incorporation	Principal activities	Equity shareholding	
			2018 %	2017 %
PT. TigadayaMinergy	Indonesia	Investment and coal mining	49	-

PT. TigadayaMinergy is audited by JojoSunarjo&Rekan

The financial information of the associate is as follows:

	2018 US\$	2017 US\$
Total assets	3,250,988	-
Total liabilities	(2,248,087)	-
Net assets	1,002,901	-
Revenue	2,091,406	-
Loss for the year	(994,139)	-

A reconciliation of the summarised financial information presented to the carrying amount of the company's interest in the associated company is as follows:

	2018 US\$	2017 US\$
Net assets of associate	1,002,901	-
Company's interest	49%	-
Share of net assets	491,421	-
Goodwill	2,633,663	-
Carrying value	3,125,084	-

As at the end of the reporting period, the company carried out a review on the recoverable amount of its investment in associate. The review revealed no impairment in value required during the financial year. The recoverable amount of the investment in associate have been determined on the basis of their net asset values at the end of the reporting period as in the opinion of the management of the company, the net asset value of the associates reasonably approximate the fair values less costs to sell.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2018</u> US\$	<u>2017</u> US\$
<u>Held for trading</u>		
Quoted bond funds	982,727	916,883
Quoted corporate bonds	689,626	465,480
Quoted equity securities	230,056	480,566
	<u>1,902,409</u>	<u>1,862,929</u>

At the reporting date, the quoted corporate bonds have nominal values totalling US\$689,626 (2017: US\$465,480) with a coupon rates of 5.45% to 5.95% (2017: 5.95%) per annum and will mature between 31 July 2024 and 24 January 2028.

Quoted bonds, bond funds and equity are pledged to bank for banking facilities (Note 16)

Financial assets at fair value through profit or loss are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
United States dollar	1,773,259	1,647,694
Australian dollar	83,312	-
British Pound	-	115,983
Hong Kong dollar	45,838	41,619
Singapore dollar	-	57,633
	<u>1,902,409</u>	<u>1,862,929</u>

11. OTHER RECEIVABLES

	<u>2018</u> US\$	<u>2017</u> US\$
Loans to third parties	40,741	3,261,241
Other debtors	1,295	-
Advance payment for share purchase	-	107,018
Accrued interest receivable	6,961	4,463
Receivable from brokers	-	1,656
Cash margin with brokers	132,433	52,751
	<u>181,430</u>	<u>3,427,129</u>

Loans to third parties are unsecured, interest free and repayable on demand. During the year, loan of US\$3,220,000 was converted to equity shares in PT. TigadayaMinergy.

Cash margin with brokers are in respect of foreign exchange forward contracts.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. OTHER RECEIVABLES – cont'd

Other receivables are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
United State dollar	141,096	3,278,121
Japanese Yen	-	1,656
Indonesian Rupiah	40,334	147,352
	<u>181,430</u>	<u>3,427,129</u>

12. OTHER CURRENT ASSET

	<u>2018</u> US\$	<u>2017</u> US\$
Deposit	4,961	7,655

Other current asset is denominated in Singapore dollars.

13. CASH AND CASH EQUIVALENTS

	<u>2018</u> US\$	<u>2017</u> US\$
Cash in hand	-	5,715
Cash at bank	12,901	121,703
	<u>12,901</u>	<u>127,418</u>

Cash and cash equivalents are denominated in the following currencies:

	<u>2018</u> US\$	<u>2017</u> US\$
Australian dollar	1,076	-
British pound	-	53,892
Swiss Franc	-	1
Singapore dollars	1,066	1,090
United States dollars	10,759	72,435
	<u>12,901</u>	<u>127,418</u>

14. SHARE CAPITAL

	<u>2018</u> Number of ordinary shares	<u>2017</u> Number of ordinary shares	<u>2018</u> US\$	<u>2017</u> US\$
Issued and paid up	<u>1,085,100</u>	1,085,100	<u>1,085,100</u>	1,085,100

The fully paid ordinary shares with no par value carry one vote per share and a right to dividends as and when declared by the company.

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

15. OTHER PAYABLES

	<u>2018</u> US\$	<u>2017</u> US\$
Loan from related party (Note 7)	4,427,649	3,909,023
Amount due to director	25,494	8,409
Accruals	5,745	3,802
Loan interest payable	631	279
	<u>4,459,519</u>	<u>3,921,513</u>

The loan from related party and the amount due to director are unsecured, interest-free and repayable on demand.

Other payables are denominated in the following currencies.

	<u>2018</u> US\$	<u>2017</u> US\$
United States dollar	4,431,544	3,912,774
Australian dollar	246	-
British Pound	-	178
Hong Kong dollar	85	2
Singapore dollar	27,644	8,559
	<u>4,459,519</u>	<u>3,921,513</u>

16. BANKBORROWINGS

	<u>2018</u> US\$	<u>2017</u> US\$
Bank loans	419,107	901,843

The bank loans bear interest at effective rates from 2.298% to 3.24% per annum (2017: 1.63%) and is repayable on demand. It is secured by a first legal charge on the company's quoted investments (Note 10).

Bank borrowings are denominated in the following currencies.

	<u>2018</u> US\$	<u>2017</u> US\$
United States dollar	276,235	622,919
Australian dollar	91,186	-
British Pound	-	170,996
Hong Kong dollar	51,686	50,630
Singapore dollar	-	57,298
	<u>419,107</u>	<u>901,843</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. OTHER INCOME

	<u>2018</u> US\$	<u>2017</u> US\$
Dividend income	47,538	39,698
Fair value gain from foreign currency forward contract	1,930	1,646
Bond interest	29,273	26,701
Gain on sale of quoted investments	221,679	203,640
Change in fair value of financial assets designated at fair value	-	68,497
	<u>300,420</u>	<u>340,182</u>

18. INTEREST EXPENSES

	<u>2018</u> US\$	<u>2017</u> US\$
Interest on loan	<u>11,756</u>	<u>15,212</u>

19. INCOME TAX

Reconciliation between the income tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate is as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Withholding tax on foreign dividend	<u>522</u>	<u>1,807</u>

Reconciliation between the income tax expense and the product of accounting profit/(loss) multiplied by the applicable tax rate is as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
(Loss)/profit before income tax	<u>(253,094)</u>	<u>137,738</u>
Income tax expenses at statutory rate of 17% (2017: 17%)	(43,026)	23,415
Tax effect of:		
- non-deductible expenses	3,492	-
- utilisation of previously unrecognised tax loss	-	(23,415)
Tax loss not recognised as deferred tax loss	<u>39,534</u>	<u>-</u>
	-	-
Withholding tax on foreign dividend	<u>522</u>	<u>1,807</u>
	<u>522</u>	<u>1,807</u>

SARDA GLOBAL VENTURE PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

19. INCOME TAX- cont'd

At the reporting date, the company has tax losses carry forward available for offsetting against future taxable income as follows:

	<u>2018</u> US\$	<u>2017</u> US\$
Amount at the beginning of the year	108,825	246,563
Amount unutilised/(utilised) in current year	<u>253,094</u>	<u>(137,738)</u>
Amount at end of year	<u>361,919</u>	<u>108,825</u>
Deferred tax benefit on above unrecorded	<u>61,526</u>	<u>18,500</u>

The realisation of the future income tax benefits from tax losses carry forwards are available for an unlimited future period subject to the agreement of the tax authorities and compliance with certain provisions of the Income Tax Act.

The company did not recognise deferred tax asset due to the uncertainty of sufficient future taxable income.

20. LOSS/(PROFIT) FOR THE YEAR

Loss/(profit) for the year has been arrived at after charging:

	<u>2018</u> US\$	<u>2017</u> US\$
Professional fees	17,744	27,481
Exchange loss/(gain)	2,797	18,135
Rental of office	14,863	20,558
Change in fair value of financial assets designated at fair value	<u>72,458</u>	<u>-</u>

21. 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.