GCL GLOBAL RESOURCES SGP PTE. LIMITED AND ITS SUBSIDIARY
Company Registration No. 200914347E
(Incorporated in Singapore)

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED TO 31 MARCH 2015

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

GCL GLOBAL RESOURCES SGP PTE. LIMITED AND ITS SUBSIDIARY

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 MARCH 2015

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REPORT OF THE DIRECTORS

The directors of GCL Global Resources SGP Pte. Limited (the "Company") present their report to the member together with the audited financial statements of the Group for the financial year ended 31 March 2015, and the statement of financial position and statement of changes in equity of the Company as at 31 March 2015.

1. Directors

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

Shrinivas Vassudeva Sinai Dempo
Jagmohan Jagdishlal Chhabra
Geraldine Norris

2. Arrangements to enable directors to acquire shares or debentures

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

3. Directors' interests in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company holding office at the end of the financial year had no interest in the shares or debentures of the Company and its related corporation except as stated below:

Name of director and corporation in which interests are held	Holdings at beginning of financial year	Holdings at end of financial year
	(No. of ordinary shares)	
Ultimate holding company:		
Goa Carbon Ltd.		
Shrinivas Vassudeva Sinai Dempo	395,939	395,939

4. Directors' contractual benefits

Since the end of the previous financial year, no director of the Company 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 a substantial financial interest, except as disclosed in the accompanying financial statements and that certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

5. Share options

There were no options granted by the Company or its subsidiary during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary.

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

6. Auditors

Mazars LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the directors

....	....
Shrinivas Vassudeva Sinai Dempo	**Jagmohan Jagdishlal Chhabra**
Director	Director

Dated: 14 APR 2015

GCL GLOBAL RESOURCES SGP PTE. LIMITED
AND ITS SUBSIDIARY

STATEMENT BY THE DIRECTORS

In our opinion,

(a) the financial statements of the Group and statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Group and changes in equity 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.

On behalf of the directors

....
Shrinivas Vassudeva Sinai Dempo
Director

....
Jagmohan Jagdishlal Chhabra
Director

Dated: 14 APR 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBER OF GCL GLOBAL RESOURCES SGP PTE. LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GCL Global Resources SGP Pte. Limited (the "Company") and its subsidiary (the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 March 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 profit and loss accounts and balance sheets 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 the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Mazars LLP
玛泽有限责任合伙会计师事务所
Chartered Accountants of Singapore

Opinion

In our opinion, the financial statements of the Group and the statement of financial position and statement of changes in equity of the Company 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 Group and of the Company as at 31 March 2015 and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

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.

Mazars LLP

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore:

14 April 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Note	Group 2015 S$	2014 S$
Administrative expenses		(16,284)	(12,053)
Other expenses		(2,006,122)	-
Loss before taxation	4	(2,022,406)	(12,053)
Income tax expense	5	-	-
Loss for the financial year		(2,022,406)	(12,053)
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation			
Foreign currency translation difference arising on consolidation		258,756	28,301
Total comprehensive (loss)/income for the financial year		(1,763,650)	16,248

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2015

		Group		Company	
	Note	2015	2014	2015	2014
ASSETS		S$	S$	S$	S$
Non-current assets					
Plant and equipment	6	-	812,178	-	-
Investment in a subsidiary	7	-	-	2,037,776	4,106,755
Land use right	8	-	2,846,705	-	-
Total non-current assets		-	3,658,883	2,037,776	4,106,755
Current assets					
Other receivables	9	902,892	911,077	44,992	74,670
Cash and bank balances	10	2,098,249	176,844	21,434	41,028
Total current assets		3,001,141	1,087,921	66,426	115,698
Total assets		3,001,141	4,746,804	2,104,202	4,222,453
EQUITY AND LIABILITIES					
Share capital	11	4,304,851	4,304,851	4,304,851	4,304,851
Currency translation reserve	12	339,502	80,746	-	-
Accumulated losses		(2,117,625)	(95,219)	(2,212,649)	(94,398)
Total equity		2,526,728	4,290,378	2,092,202	4,210,453
Current liabilities					
Amount owing to ultimate holding company	13	462,413	422,879	-	-
Other payables	14	12,000	33,547	12,000	12,000
Total current liabilities		474,413	456,426	12,000	12,000
Total liabilities		474,413	456,426	12,000	12,000
Total equity and liabilities		3,001,141	4,746,804	2,104,202	4,222,453

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

Group	Share capital S$	Currency translation reserve S$	Accumulated losses S$	Total S$
As at 1 April 2013	3,140,956	52,445	(83,166)	3,110,235
Increase in share capital	1,163,895	-	-	1,163,895
Foreign currency translation difference arising on consolidation	-	28,301	-	28,301
Total comprehensive loss for the financial year	-	-	(12,053)	(12,053)
At 31 March 2014	4,304,851	80,746	(95,219)	4,290,378
As at 1 April 2014	4,304,851	80,746	(95,219)	4,290,378
Foreign currency translation difference arising on consolidation	-	258,756	-	258,756
Total comprehensive loss for the financial year	-	-	(2,022,406)	(2,022,406)
At 31 March 2015	4,304,851	339,502	(2,117,625)	2,526,728

Company	Share capital S$	Accumulated losses S$	Total S$
At 1 April 2013	3,140,956	(81,800)	3,059,156
Increase in share capital	1,163,895	-	1,163,895
Total comprehensive loss for the financial year	-	(12,598)	(12,598)
At 31 March 2014	4,304,851	(94,398)	4,210,453
At 1 April 2014	4,304,851	(94,398)	4,210,453
Total comprehensive loss for the financial year	-	(2,118,251)	(2,118,251)
At 31 March 2015	4,304,851	(2,212,649)	2,092,202

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	Group	
	2015 S$	2014 S$
Operating activities		
Loss before taxation	(2,022,406)	(12,053)
Adjustments for:		
Loss on written-off plant and equipment	834,883	-
Loss on written-off other receivables	978,941	-
Depreciation of plant and equipment	-	304
Unrealised foreign exchange gain	(11,122)	-
Operating cash flow before changes in working capital	(219,704)	(11,749)
Changes in working capital		
Other receivables	(970,756)	(9,449)
Accrued operating expenses	(21,547)	21,777
Net cash flows (used in)/ generated from operating activities	(1,212,007)	579
Investing activities		
Purchase of plant and equipment	(22,705)	(542,482)
Purchase of land use right	-	(2,846,705)
Other receivables	891,917	-
Refunds related to withdrawal of land use right	2,220,432	-
Net cash generated from /(used in) investing activities	3,089,644	(3,389,187)
Financing activities		
Cash proceed from issuance of shares	-	1,163,895
Advance from ultimate holding company	39,534	212,302
Net cash flows generated from financing activities	39,534	1,376,197
Net increase/(decrease) in cash and bank balances	1,917,171	(2,012,411)
Cash and bank balances at the beginning of the financial year	176,844	2,160,954
Net effect of exchange rate attributable to cash and bank balances	4,234	28,301
Cash and bank balances at the end of financial year	2,098,249	176,844

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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

1. General

GCL Global Resources SGP Pte. Limited is a company incorporated and domiciled in Singapore with its registered office at 133 Cecil Street, #16-01 Keck Seng Tower, Singapore 069535.

The principal activities of the Company are investment holding company and general wholesale trading.

The principal activities of the subsidiary are disclosed in Note 7 to the financial statements.

The Company's immediate and ultimate holding company is Goa Carbon Limited, a company incorporated in India.

The consolidated financial statement of the Group and the statement of financial position and the statement of change in equity of the Company for the financial year ended 31 March 2015 were authorised for issue by the directors on 14 April 2015.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar ("S$") which is also the functional currency of the Company.

In the current financial year, the Company has adopted all the new and revised FRSs and INT FRSs that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRSs and INT FRSs did not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

FRSs and INT FRSs issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs and INT FRSs that are relevant to the Group were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptance Methods of Depreciation and Amortisation	1 January 2016
FRS 16, FRS 41	Amendments FRS 16 and FRS 41: Agriculture: Bearer Plants	1 January 2016
FRS 19	Amendments to FRS 19: Defined Employee Plans: Employee Contributions	1 July 2014
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
FRS 27	Amendments to FRS 27: Equity Method in Separate Financial Statements	1 January 2016
FRS 109	Financial Instruments	1 January 2018
FRS 114	Regulatory Deferral Accounts	1 January 2016
FRS 115	Revenue from Contracts with Customers	1 January 2017
Various	Improvements to FRSs (January 2014)	Various
Various	Improvements to FRSs (February 2014)	Various
Various	Improvements to FRSs (November 2014)	Various

The management anticipates that the adoption of the above FRSs and INT FRSs in future periods will not have a material impact on the financial statements, and in particular, to the financial position and financial performance, of the Group in the period of their initial adoption.

2.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiary. Subsidiary is entity (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiary is consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

Intra-group assets and liabilities, equity, income, expenses and cash flows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

2.3 Income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss 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 Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiary operate by the end of the financial year.

2. Summary of significant accounting policies (Continued)

2.3 Income tax (Continued)

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiary except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity.

2.4 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

2. Summary of significant accounting policies (Continued)

2.4 Foreign currency transactions and translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.5 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method, on the following base:

- Computers 33.33%

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of plant and equipment is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (Continued)

2.6 Land use right

Land use right is initially measured at cost. Following initial recognition, land use right is measured at cost less accumulated amortisation and accumulated impairment losses. The land use right is amortised over the lease term of 50 years.

2.7 Impairment of tangible and intangible assets

The Group reviews the carrying amounts of its tangible and intangible assets as at each reporting date to assess for any indication of 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Irrespective of whether there is any indication of impairment, the Group also tests its intangible assets with indefinite useful lives and intangible assets not yet available for use for impairment annually by comparing their respective carrying amounts with their corresponding recoverable amounts.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount 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, 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.

2.8 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets

All financial assets are recognised on a trade date - the date on which the Group commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The Group's loans and receivables comprise other receivables and cash and bank balances.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each financial year. 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.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

2. Summary of significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Financial liabilities are classified other financial liabilities.

Other financial liabilities

Other payables

Other payables and amount owing to ultimate holding company are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currency of the Company and its subsidiary. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investment in subsidiary

At the end of each financial year, an assessment is made on whether there is objective evidence that the Company's investment in the subsidiary is impaired. The management's assessment is based on fair value less cost of disposal. The Company's carrying amount of investment in subsidiary as at 31 March 2015 was S$2,037,776 (2014: S$4,106,755) (Note 7).

4. Loss before taxation

Loss before taxation has been arrived at the following charging/(crediting):

	Group	
	2015	2014
	S$	S$
Professional fees	9,804	2,899
Foreign exchange gain, net	1,316	8,093
Included in other expenses		
- Loss on written-off of plant and equipment (Note 6)	834,883	-
- Loss on written-off of other receivables (Note 9)	978,941	-

5. Income tax expense

There is no income tax expense as the Group is in tax loss position and has no taxable profit.

	Group	
	2015 S$	2014 S$
Loss before taxation	(2,022,406)	(12,053)
Tax at statutory rate of 17%	(343,809)	(2,049)
Tax effect of non-deductible expenses	343,809	2,049
Tax expense	-	-

6. Plant and equipment

Group	Computer S$	Construction-in-progress S$	Total S$
Cost			
At 1 April 2013	-	270,000	270,000
Additions	1,218	541,264	542,482
At 31 March 2014	1,218	811,264	812,482
Additions	-	22,705	22,705
Written-off	(1,218)	(833,969)	(835,187)
At 31 March 2015	-	-	-
Accumulated depreciation			
At 31 March 2013	-	-	-
Charge for the financial year	304	-	304
At 31 March 2014	304	-	304
Written-off	(304)	-	(304)
At 31 March 2015	-	-	-
Net carrying amount			
At 31 March 2014	914	811,264	812,178
At 31 March 2015	-	-	-

During the financial year, as a result of change in local environmental regulations, the local authority in People's Republic of China ("PRC") has withdrawn the land given to the subsidiary of the Group in PRC.

Consequently, the proposed investment in PRC by its subsidiary has ceased and entire plant and equipment has been written-off as the management is in opinion of that they could be no longer recoverable in the future. The loss of S$834,883 has been recognised in the expense.

7. Investment in a subsidiary

	Company	
	2015	2014
	S$	S$
Unquoted equity, at cost	4,106,755	4,106,755
Less: Accumulated impairment	(2,068,979)	-
	2,037,776	4,106,755

Details of the Company's subsidiary are as follows:

Name of subsidiary	Country of incorporation and operation	Principal activities	Effective equity held by the Company	
			2015	2014
			%	%
Goa Carbon (Cangzhou) Co., Ltd	People's Republic of China ("PRC")	Manufacture and sales of calcined petroleum coke	100	100

During the financial year, the cessation of the proposed investment in PRC (Note 6) has caused the Company to assess the recoverable amount of investment in subsidiary. Based on the assessment, the Company required total impairment loss of S$2,068,979, representing the written-down of the investment in subsidiary to its recoverable amount based on the subsidiary's fair value, which the management is of the opinion that it approximates to the net recoverable value of the subsidiary.

8. Land use right

	Group	
	2015	2014
	S$	S$
Cost		
At 1 April	2,846,705	-
Additions	-	2,846,705
Written-off	(3,110,617)	-
Currency alignments	263,912	-
At 31 March	-	2,846,705
Net carrying amount		
At 31 March	-	2,846,705

During the financial year, the local authority in PRC has withdrawn the land use right given to the subsidiary of the Group. On 6 November 2014, the subsidiary and the local authority have entered into an agreement and the total amount paid for land use right RMB14,020,000 would be refunded to the subsidiary. At the end of the financial year, the subsidiary has received total RMB10,000,000 and the balance of RMB4,020,000 (equivalent to S$891,917) has been included in other receivables.

9. Other receivables

	Group		Company	
	2015 S$	2014 S$	2015 S$	2014 S$
Advance*	-	900,102	-	29,678
Receivable from the government in relation to land use right	891,917	-	-	-
Deposits	7,000	7,000	7,000	7,000
Amount due from a subsidiary	-	-	34,017	34,017
	898,917	907,102	41,017	70,695
Prepayments	3,975	3,975	3,975	3,975
Total other receivables	902,892	911,077	44,992	74,670

* The Group had paid advances to several agencies in PRC for purpose of reports submission for approval on the construction of plant. As a result of the cessation of the proposed investment in PRC, the advance of S$978,941 has been written off during the financial year and the loss has recognised under other expenses.

The currency profile for the Group's and the Company's other receivables are as follows:

	Group		Company	
	2015 S$	2014 S$	2015 S$	2014 S$
Singapore dollar	10,975	40,653	44,992	74,670
Chinese Renminbi	891,917	870,424	-	-
	902,892	911,077	44,992	74,670

10. Cash and bank balances

	Group		Company	
	2015 S$	2014 S$	2015 S$	2014 S$
Cash on hand	-	458	-	-
Cash at bank	2,098,249	176,386	21,434	41,028
	2,098,249	176,844	21,434	41,028

The currency profile for the Group's and the Company's cash and bank balances are as follows:

	Group		Company	
	2015 S$	2014 S$	2015 S$	2014 S$
Singapore dollar	6,592	6,002	6,592	6,002
United States dollar	1,876,551	144,747	14,842	35,026
Chinese Renminbi	215,106	26,095	-	-
	2,098,249	176,844	21,434	41,028

11. Share capital

	Group and Company			
	2015	2014	2015	2014
	Number of ordinary shares with no par value		S$	S$
Issued and fully paid without par value:				
At 1 April	3,480,000	2,550,000	4,304,851	3,140,956
Issued during the financial year	-	930,000	-	1,163,895
At 31 March	3,480,000	3,480,000	4,304,851	4,304,851

The holder of ordinary shares are entitle to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company without restriction.

12. Currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

13. Amount owing to ultimate holding company

The amount owing to ultimate holding company is denominated in Chinese Renminbi, non-trade in nature, unsecured, interest-free and has no fixed terms of repayment.

14. Other payables

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Accrued operating expense	12,000	33,547	12,000	12,000

Other payables are denominated in Singapore dollar.

15. Capital commitments

Capital expenditure contractual for at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2015	2014
	S$	S$
Capital commitment in respect of property and plant and equipment	-	913,199

16. Related party transactions

A related party is 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.

(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).

Key management personnel compensation

The key management personnel comprise the directors of the Company who did not receive any compensation during the financial year.

17. Financial instruments and financial risk

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Category of financial assets and financial liabilities

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Financial assets				
Other receivables				
(excluding prepayments)	898,917	907,102	41,017	70,695
Cash and bank balances	2,098,249	176,844	21,434	41,028
Loans and receivables	2,997,166	1,083,946	62,451	111,723
Financial liabilities				
Other payables	12,000	32,547	12,000	12,000
Amount owing to ultimate holding				
company	462,413	422,879	-	-
Financial liabilities at amortised cost	474,413	456,426	12,000	12,000

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group's and the Company's major classes of financial assets are bank balances and other receivables.

The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Foreign currency risk

The Group is exposed to foreign currency risk on certain expenses, monetary assets and liabilities that are denominated in currencies other than functional currencies of the respective entities in the Group. The currencies giving rise to this risk are primarily the Chinese Renminbi and United States dollar. The Group does not have any derivative financial instruments to hedge its foreign currency risk. The Group's exposure to foreign currency risk relates mainly to its operation in the PRC, which are transacted in Chinese Renminbi. The Chinese Renminbi is not freely convertible into foreign currencies.

17. Financial instruments and financial risk (Continued)

Foreign currency risk (Continued)

As at the reporting date, the carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities are as follows:

	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
Monetary assets				
United States dollar	1,876,551	144,747	14,842	35,026
Chinese Renminbi	1,107,023	896,519	-	-
Monetary liabilities				
Chinese Renminbi	462,413	422,879	-	-

Foreign currency sensitivity analysis

The Group is mainly exposed to Chinese Renminbi ("RMB").

The following table details the Group's sensitivity to a 10% change in RMB against the respective functional currencies of the Group entities. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates from the end of the financial year, with all variables held constant. The results of the model are also constrained by the fact that only monetary items, including external loans and loans to foreign operations, which are denominated in United States dollar ("USD") are included in the analysis. Consequentially, reported changes in the values of some of the financial instruments impacting the results of the sensitivity analysis are not matched with the offsetting changes in the values of certain excluded items that those instruments are designed to finance or hedge.

	Increase/(Decrease) Profit/(Loss) before tax			
	Group		Company	
	2015	2014	2015	2014
	S$	S$	S$	S$
USD				
Strengthens against S$	187,655	14,747	1,484	3,502
Weakens against S$	(187,655)	(14,747)	(1,484)	(3,502)
RMB				
Strengthens against S$	64,461	47,364	-	-
Weakens against S$	(64,461)	(47,364)	-	-

Liquidity risk

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

Adequate financial support from the ultimate holding company has been obtained to enable the Company to continue its operation and discharge its present obligations as and when they fall due. As a result, management does not foresee the Company is exposed to any significant liquidity risk.

18. Fair value of assets and liabilities

The carrying amount of cash and cash equivalents and other receivables, amount owing to ultimate holding company and payables, approximate these respective fair values due to the relative short term maturity of their financial instruments.

19. Capital management policies and objectives

The Company does not have specific capital policy and objective. The Company's capital requirement is met via advance from the ultimate holding company to meet the Company's operating requirements.

The Company's strategy remains unchanged from 2014.

The Company is not subject to any externally imposed capital requirements for the years ended 31 March 2015 and 2014.