

INDMET MINING PTE. LTD.
(Registration No. 201008960C)

**REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED
31 MARCH 2015**

INDMET MINING PTE. LTD.

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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INDMET MINING PTE. LTD.

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of Indmet Mining Pte. Ltd. (the "Company") for the financial year ended 31 March 2015.

1. DIRECTORS

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

Subhrakant Panda
Loke Poh Keun
Prem Khandelwal

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

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and companies <u>in which interests are held</u>	<u>Ordinary shares</u>	
	<u>At the beginning of the year</u>	<u>At the end of the year</u>
Ultimate holding company - <u>Indian Metals & Ferro Alloys Limited</u>		
Subhrakant Panda	209,651	212,901
Prem Khandelwal	240	240
Related company – <u>Utkal Coal Ltd</u>		
Subhrakant Panda	1,010	1,010

INDMET MINING PTE. LTD.
REPORT OF THE DIRECTORS

4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies 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.

5. SHARE OPTIONS

(a) Options to take up unissued shares

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

(b) Options exercised

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

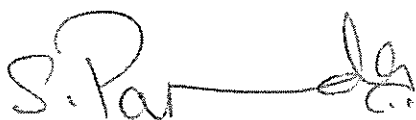
(c) Unissued shares under option

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

6. AUDITORS

The auditors, Ecovis Assurance LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS



.....
Subhrakant Panda



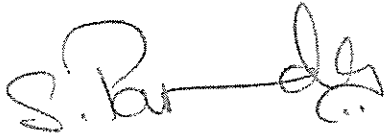
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Prem Khandelwal

Date: 14 MAY 2015

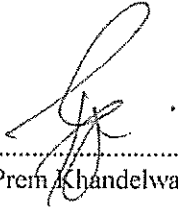
INDMET MINING PTE. LTD.
STATEMENT BY THE DIRECTORS

In the opinion of the directors, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015, and of the results, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, with the continued financial support from its holding company, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE BOARD OF DIRECTORS



.....
Subhrakant Panda



.....
Prem Khandelwal

Date: 14 MAY 2015

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INDMET MINING PTE. LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of **INDMET MINING PTE. LTD.** (the "Company") which comprise the statement of financial position of the Company as at 31 March 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 19.

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 (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 qualified audit opinion.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
INDMET MINING PTE. LTD.**

Basis of Qualified Opinion

As disclosed in Note 8 to the financial statements, the subsidiary is currently inactive and is awaiting for certain regulatory approval before it can commence mining activities. As the discussion with the relevant Indonesian Government Authorities is ongoing, the management is of the opinion that recoverable amount cannot be ascertained with accuracy. Accordingly, the impairment assessment through value in use has not been prepared. However, the management is of the opinion that the cost of the investment would be recovered once the subsidiary starts its mining operations.

Accordingly, we are unable to conclude whether there is any impairment loss to the carrying value of the investment in subsidiary.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements 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 Company as at 31 March 2015 and of the results, changes in equity and cash flows of the Company for the 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.

Ecovis Assurance LLP

Ecovis Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

Date: **14 MAY 2015**

INDMET MINING PTE. LTD.**STATEMENT OF FINANCIAL POSITION***As at 31 March 2015*

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	1,858,846	1,886,291
Other receivables	7	710,188	677,525
Total current assets		<u>2,569,034</u>	<u>2,563,816</u>
Non-current asset			
Investment in a subsidiary	8	<u>8,750,000</u>	<u>8,750,000</u>
Total assets		<u>11,319,034</u>	<u>11,313,816</u>
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Other payables	9	4,735	4,737
Income tax payable		801	860
Total current liabilities		<u>5,536</u>	<u>5,597</u>
Non-current liability			
Deferred tax	10	<u>2,921</u>	<u>3,312</u>
Capital and reserve			
Share capital	11	11,722,110	11,722,110
Accumulated losses		(411,533)	(417,203)
Total equity		<u>11,310,577</u>	<u>11,304,907</u>
Total liabilities and equity		<u>11,319,034</u>	<u>11,313,816</u>

See accompanying notes to financial statements.

INDMET MINING PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2015

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
Other income	12	13,601	39,638
Other operating expenses		<u>(8,046)</u>	<u>(7,433)</u>
Profit before income tax		5,555	32,205
Income tax	13	<u>115</u>	<u>(4,172)</u>
Profit for the year, representing total comprehensive income for the year		<u>5,670</u>	<u>28,033</u>

See accompanying notes to financial statements.

INDMET MINING PTE. LTD.**STATEMENT OF CHANGES IN EQUITY***For the financial year ended 31 March 2015*

	<u>Share capital</u> US\$	<u>Accumulated losses</u> US\$	<u>Total</u> US\$
At 1 April 2013	11,722,110	(445,236)	11,276,874
<i>Total comprehensive income for the year</i>			
Profit for the year	<u>-</u>	<u>28,033</u>	<u>28,033</u>
At 31 March 2014	11,722,110	(417,203)	11,304,907
<i>Total comprehensive income for the year</i>			
Profit for the year	<u>-</u>	<u>5,670</u>	<u>5,670</u>
At 31 March 2015	<u>11,722,110</u>	<u>(411,533)</u>	<u>11,310,577</u>

See accompanying notes to financial statements.

INDMET MINING PTE. LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 31 March 2015*

	<u>2015</u> US\$	<u>2014</u> US\$
Cash flows from operating activities:		
Profit before income tax	5,555	32,205
Adjustments for:		
Interest income	<u>(13,601)</u>	<u>(39,638)</u>
Operating cash flows before movements in working capital	(8,046)	(7,433)
Changes in working capital:		
Other receivables	2,337	(204,189)
Other payables	<u>(2)</u>	<u>(288)</u>
Net cash generated used in operations	(5,711)	(211,910)
Income taxes paid	<u>(335)</u>	<u>-</u>
Net cash generated used in operating activities	<u>(6,046)</u>	<u>(211,910)</u>
Cash flows from investing activities:		
Interest income	13,601	39,638
Loan to subsidiary	<u>(35,000)</u>	<u>-</u>
Net cash (used in)/generated from investing activities	<u>(21,399)</u>	<u>39,638</u>
Net decrease in cash and cash equivalents	(27,445)	(172,272)
Cash and cash equivalents at the beginning of the year	<u>1,886,291</u>	<u>2,058,563</u>
Cash and cash equivalents at the end of the year (Note 6)	<u><u>1,858,846</u></u>	<u><u>1,886,291</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

1. GENERAL

The Company (Registration No. 201008960C) is incorporated and domiciled in Singapore with its registered office at 100 Tras Street #16-01, 100 AM, Singapore 079027. The financial statements are expressed in United States dollars, which is the functional currency of the Company.

The principal activity of the Company is that of a trading and investment holding company.

The principal activity of the subsidiary is disclosed in Note 8.

The financial statements of the Company for the year ended 31 March 2015 were authorised for issue by the Board of Directors on the date of the Statement of Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost convention, except for the accounting policies mentioned below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

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

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

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, there are FRSs, INT FRSs and amendments to FRS that are relevant to the Company that were issued but are not yet effective. The management anticipates that the adoption of these FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

CONSOLIDATED FINANCIAL STATEMENTS - The financial statements of the subsidiary has not been consolidated with the Company's financial statements as the Company itself is a wholly-owned subsidiary of another company. Consolidated financial statements are prepared by the ultimate holding company, Indian Metals & Ferro Alloys Limited, incorporated in India, on a worldwide basis and such financial statements are publicly available. The registered address of Indian Metals & Ferro Alloys Limited is IMFA building, Bhubaneswar 751010, Orissa, India.

SUBSIDIARY – A subsidiary is an investee that is controlled the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in subsidiary in the financial statements of the Company are carried at cost, less any impairment in net recoverable value that has been recognised in profit or loss.

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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (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. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

Loans and receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, 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 reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets 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 amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

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

Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company 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 Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other payables

Other payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at fair value through profit or, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

IMPAIRMENT OF TANGIBLE 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 (if any).

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

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 in the statement of profit or loss and other 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 by the end of the reporting period.

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 is accounted for using the balance sheet 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Company 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.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency) which is the United States dollars.

Transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) *Critical judgements in applying the Company's accounting policies*

In the application of the Company's accounting policies, which are described in Note 2, 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed in Note 8.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	<u>2015</u> US\$	<u>2014</u> US\$
<u>Financial assets</u>		
Cash and cash equivalents	1,858,846	1,886,291
Other receivables (excluding prepayments)	710,188	677,042
Total loans and receivables	<u>2,569,034</u>	<u>2,563,333</u>
<u>Financial liability</u>		
Other payables at amortised cost	<u>4,735</u>	<u>4,737</u>

(b) Financial risk management policies and objectives

The Company's major financial instruments include cash and cash equivalents, other receivables and other payables. The risks associated with these financial instruments include market risk (primarily being foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

i) Foreign currency risk

The Company has investments in foreign subsidiary whose assets are exposed to currency translation to risk. The Company does not hedge against currency exchange exposure arising from such investments as they are deemed to be long term in nature, hence no foreign exchange risk sensitivity analysis is performed.

ii) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

The interest rate and terms of repayment of fixed deposits and loan to subsidiary are disclosed in Notes 6 and 7 respectively. No sensitivity analysis is management is of the view that any reasonable possible changes in interest rate is not expected to have a significant effect on profit or loss.

iii) Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in a financial loss to the Company.

The Company's credit risk is primarily attributable to its bank balance and other receivables. The Company has no significant concentration of credit risk with any party other than the receivables from its subsidiary.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The maximum amount the Company could be forced to settle under the financial guarantee contract is disclosed in Note 14. Based on expectations at the end of the reporting period, the Company considers that it is more likely than not that no amount will be payable under the arrangement.

iv) Liquidity risk

The directors are of the opinion that the Company has enough liquidity to meets its obligations. The Company's operations are financed mainly through equity.

All financial assets and liabilities in 2014 and 2015 are repayable on demand or due within 1 year from the end of the reporting period, and are non-interest bearing.

v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables, other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) Capital risk management policies and objectives

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of share capital and retained earnings. The Company's overall strategy remains unchanged from 2014.

INDMET MINING PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

Management reviews the capital structure on an annual basis to balance its overall capital structure through the issue of new capital and distribution of dividend.

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

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly owned subsidiary of Indian Metals & Ferro Alloys Limited, incorporated in India, which is also the ultimate holding company. Related companies in these financial statements refer to members of the holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free, repayable on demand and are to be settled in cash unless otherwise stated.

The intercompany transactions are as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Interest income from subsidiary	-	23,143

6. CASH AND CASH EQUIVALENTS

	<u>2015</u> US\$	<u>2014</u> US\$
Cash at bank	118,846	16,291
Fixed deposits	1,740,000	1,870,000
Cash and cash equivalents in statement of cash flows	<u>1,858,846</u>	<u>1,886,291</u>

Fixed deposits bear average effective interest rate of 0.70% (2014: 0.84%) per annum and for an average tenure of 270 days (2014: 270) days. Management considers that the fixed deposits as cash and cash equivalents as the fixed deposits can be converted into cash without incurring significant costs.

7. OTHER RECEIVABLES

	<u>2015</u> US\$	<u>2014</u> US\$
Loan to subsidiary	702,348	667,348
Other receivables	7,393	9,694
Prepayments	447	483
	<u>710,188</u>	<u>677,525</u>

The loan to a subsidiary is unsecured, bears an interest at 4% above the six months LIBOR rate which was 0.34% (2014: 0.33%) per annum and repayable on demand. In 2015, the Company waived off its interest charge to the subsidiary.

INDMET MINING PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 March 2015

8. INVESTMENT IN A SUBSIDIARY

	<u>Company</u>	
	<u>2015</u> US\$	<u>2014</u> US\$
Unquoted equity shares, at cost	<u>8,750,000</u>	<u>8,750,000</u>

Details of the Company's subsidiary at 31 March 2015 are as follows:

<u>Name of subsidiary</u>	<u>Principal activity/ Country of incorporation and operations</u>	<u>Proportion of ownership interest/voting power held</u>	
		<u>2015</u> %	<u>2014</u> %
PT Sumber Rahayu Indah	Inactive / Indonesia	70	70

The subsidiary is currently inactive and is awaiting for certain regulatory approval before it can commence mining activities. Because of the delay in obtain such regulatory approval, the holding company, Indian Metals & Ferro Alloys Limited, has started to engage with the relevant Indonesian Government Authorities. As the discussion with the relevant Indonesian Government Authorities is ongoing, the management is of the opinion that recoverable amount cannot be ascertained with accuracy. Accordingly, the impairment assessment through value in use has not been prepared. However, the management is of the opinion that the cost of the investment would be recovered once the subsidiary starts its mining operations.

9. OTHER PAYABLES

	<u>2015</u> US\$	<u>2014</u> US\$
Accrued expenses	<u>4,735</u>	<u>4,737</u>

The Company's other payables that are not denominated in the Company's functional currency are as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Singapore dollar	<u>4,735</u>	<u>4,737</u>

10. DEFERRED TAX

Deferred tax represents income earned which have yet to be remitted and accordingly are yet to be subject to income tax. The movement is as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
At beginning of the year	3,312	-
(Credit) Charge during the year	<u>(391)</u>	<u>3,312</u>
At end of the year	<u>2,921</u>	<u>3,312</u>

INDMET MINING PTE. LTD.**NOTES TO FINANCIAL STATEMENTS***For the financial year ended 31 March 2015***11. SHARE CAPITAL**

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>Number of ordinary shares</u>		<u>US\$</u>	<u>US\$</u>
<u>Issued and fully paid</u>				
At beginning and end of the year	<u>14,738,801</u>	<u>14,738,801</u>	<u>11,722,110</u>	<u>11,722,110</u>

The Company has one class of ordinary shares with no par value which carry no right to fixed income.

12. OTHER INCOME

	<u>2015</u>	<u>2014</u>
	<u>US\$</u>	<u>US\$</u>
Interest income from subsidiary	-	23,143
Interest income from bank	13,601	16,495
	<u>13,601</u>	<u>39,638</u>

13. INCOME TAX

	<u>2015</u>	<u>2014</u>
	<u>US\$</u>	<u>US\$</u>
Current	276	521
Deferred	(391)	3,312
Underprovision in prior year – current tax	-	339
	<u>(115)</u>	<u>4,172</u>

Domestic income tax is calculated at 17% (2014: 17%) of the estimated assessable profit for the year.

The total tax for the year can be reconciled to the accounting profit as follows:

	<u>2015</u>	<u>2014</u>
	<u>US\$</u>	<u>US\$</u>
Profit before income tax	<u>5,555</u>	<u>32,205</u>
Income tax expense calculated at 17%	944	5,475
Non-allowable expenses	113	-
Income tax exemption	(1,172)	(1,642)
Underprovision in prior year	-	339
Income tax recognised in profit or loss	<u>(115)</u>	<u>4,172</u>

14. CONTINGENT LIABILITIES

The Company provides a corporate guarantee in favour of Standard Chartered Bank, Basinghall Avenue, London ECV 5DD, United Kingdom for a sum not exceeding US\$1.24 million (2014: US\$2.88 million) to enable the ultimate holding company to avail a term loan facility from the bank.