

PARSVNATH DEVELOPERS PTE. LTD.

**BALANCE SHEET
AS AT 31 MARCH 2016**

	Note	2016 \$	2015 \$
Current assets			
Other receivables	3	1,390,679	1,425,000
Cash at bank		79,801	56,724
		1,470,480	1,481,724
Total assets		<u>1,470,480</u>	<u>1,481,724</u>
Equity			
Share capital	4	1,456,920	1,456,920
Retained earnings		8,417	21,804
Total equity		<u>1,465,337</u>	<u>1,478,724</u>
Current liabilities			
Other payables	5	5,143	3,000
Total liabilities		<u>5,143</u>	<u>3,000</u>
Total equity and liabilities		<u>1,470,480</u>	<u>1,481,724</u>

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

PARSVNATH DEVELOPERS PTE. LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 \$	2015 \$
Revenue		-	-
Other losses	6	-	(35,876)
Administrative expenses		(13,297)	(9,300)
Results from operating activities		<u>(13,297)</u>	<u>(45,176)</u>
Finance costs – bank charges		(90)	(90)
Loss before tax		<u>(13,387)</u>	<u>(45,266)</u>
Tax expense	7	-	-
Loss for the year		<u>(13,387)</u>	<u>(45,266)</u>
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(13,387)</u>	<u>(45,266)</u>

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

PARSVNATH DEVELOPERS PTE. LTD.

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

	Share capital \$	Retained earnings \$	Total \$
At 1 April 2014	1,456,920	67,070	1,523,990
Loss for the year	-	(45,266)	(45,266)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(45,266)	(45,266)
At 31 March 2015	1,456,920	21,804	1,478,724
Loss for the year	-	(13,387)	(13,387)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(13,387)	(13,387)
At 31 March 2016	1,456,920	8,417	1,465,337

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

PARSVNATH DEVELOPERS PTE. LTD.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016	2015
	\$	\$
Operating activities		
Loss for the year	(13,387)	(45,266)
Adjustments for:		
Investment in a subsidiary written off	-	100
Non-trade amount owing by a subsidiary written off	-	35,776
Operating cash flows before changes in working capital	(13,387)	(9,390)
Changes in working capital:		
Other receivables	34,321	-
Accrued operating expenses	2,143	(1,800)
Net cash flows generated from/(used in) operating activities	23,077	(11,190)
Financing activities		
Non-trade amount owing by a subsidiary	-	(4,671)
Net cash flows used in financing activities	-	(4,671)
Net increase/(decrease) in cash at bank	23,077	(15,861)
Cash at bank at 1 April	56,724	72,585
Cash at bank at 31 March	79,801	56,724

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

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

1. Domicile and activities

Parsvnath Developers Pte. Ltd. (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 77 High Street #07-12/13 High Street Plaza Singapore 179433.

The principal activities of the Company are those relating to the development, construction and marketing of real estate projects and investment holding.

The immediate and ultimate holding company during the financial year is Parsvnath Developers Limited, a company incorporated in the Republic of India.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars, which is the Company's functional currency.

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the significant effects on the amounts recognised in the financial statements are disclosed in Note 11.

Interpretations and amendments to published standards effective in 2015

On 1 April 2015, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

2. Summary of significant accounting policies (cont'd)

(b) *Financial instruments*

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise other receivables and cash at bank.

Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

2. Summary of significant accounting policies (cont'd)

(b) *Financial instruments (cont'd)*

Non-derivative financial liabilities (cont'd)

Other financial liabilities comprise other payables.

Share capital

Ordinary shares are classified as equity.

(c) *Impairment*

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss, is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) has occurred after the initial recognition of the asset, and that the loss event(s) has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor will enter bankruptcy.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2. Summary of significant accounting policies (cont'd)

(d) Finance costs

Bank charges are recognised in profit or loss in the period in which they are incurred.

(e) Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred taxes reflects the tax consequences that would follow 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(f) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2015, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

PARSVNATH DEVELOPERS PTE. LTD.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016

3. Other receivables

	2016	2015
	\$	\$
Deposits	165,679	-
Other receivables	1,225,000	1,425,000
Total other receivables	1,390,679	1,425,000
Add:		
Cash at bank	79,801	56,724
Total loans and receivables	1,470,480	1,481,724

Deposits comprise 5% booking fee paid to purchase two leasehold properties at 320 Serangoon Road #10-07 Centrium Square Singapore 218108 and 320 Serangoon Road #10-08 Centrium Square Singapore 218108 (Note 8).

Other receivables comprised advances to third parties which are unsecured, non-interest bearing and repayable by 30 September 2014. Pursuant to supplementary agreements signed with the parties, the balance outstanding advances were further extended to 31 December 2016.

4. Share capital

	2016		2015	
	No. of shares	\$	No. of shares	\$
Fully paid ordinary shares, with no par value:				
At 1 April and at 31 March	856,920	1,456,920	856,920	1,456,920

All shares rank equally with regard to the Company's residual assets.

All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

There were no changes in the Company's approach to capital management during the year.

The capital structure of the Company consists of equity attributable to owners of the Company, comprising share capital and retained earnings.

The Company is not subject to externally imposed capital requirements.

PARSVNATH DEVELOPERS PTE. LTD.

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016**

5. Other payables

	2016	2015
	\$	\$
Other payables	343	-
Accrued operating expenses	4,800	3,000
	<u>5,143</u>	<u>3,000</u>

6. Other losses

	2016	2015
	\$	\$
Investment in a subsidiary written off	-	100
Non-trade amount owing by a subsidiary written off	-	35,776
	<u>-</u>	<u>35,876</u>

7. Tax expense

Reconciliation of effective tax rate

	2016	2015
	\$	\$
Loss before tax	<u>(13,387)</u>	<u>(45,266)</u>
Tax calculated using Singapore tax rate of 17% (2015: 17%)	(2,276)	(7,695)
Effect of:		
- tax losses not allowed to be carried forward	2,276	7,695
	<u>-</u>	<u>-</u>

8. Commitments

On 23 March 2016, the Board of Directors had approved the acquisition of two investment properties at 320 Serangoon Road #10-07 Centrium Square Singapore 218108 and 320 Serangoon Road #10-08 Centrium Square Singapore 218108 for total consideration of \$3,313,576. As at the reporting date, 5% booking fees of \$165,679 have been paid (Note 3). The Company has entered into the sale and purchase agreement for the acquisition of these two properties on 25 April 2016 and 7 June 2016 respectively.

Commitments approved by directors but not provided for in the financial statements in respect of the above investments are as follow:-

	2016	2015
	\$	\$
Amounts approved by directors in respect of investments	<u>3,147,897</u>	<u>-</u>

9. Financial risk management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash at bank), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

At the end of the reporting period, the Company has significant amount of receivables owing by third parties of \$1,225,000 (2015: \$1,425,000). The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(i) Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company. Cash that is neither past due nor impaired is placed with reputable financial institutions with high credit ratings and no history of default.

(ii) Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 3 (Other receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At the end of the reporting period, the contractual cash flows of the Company's current financial liabilities approximate the carrying amounts that they are expected to be settled within the next twelve months.

10. Fair value of assets and liabilities

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash at bank and other current financial assets and liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

11. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in condition and assumptions are factors to be considered when reviewing the financial statements. The principal accounting policies are set forth in Note 2. The Company believes the following critical accounting policies involve the most significant judgment and estimate used in the preparation of the financial statements.

Impairment of loans and receivables

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.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the end of each reporting period is disclosed in Note 3 to the financial statements.

12. Authorisation of financial statements

The financial statements were authorised for issue by the Board of Directors on **06 JUL 2016**