

**PARSVNATH DEVELOPERS PTE. LTD.**

Statement of Financial Position as at 31 March 2019

	<u>Note</u>	<u>2019</u> S\$	<u>2018</u> S\$
<b>Assets</b>			
<b>Non – Current Assets</b>			
Investment property under development	5	1,408,534	745,819
<b>Current Assets</b>			
Other receivable	6	1,100,000	1,100,000
Cash and cash equivalents	7	18,770	51,838
Total Current Assets		1,118,770	1,151,838
<b>Total Assets</b>		<b>2,527,304</b>	<b>1,897,657</b>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Share capital	8	1,456,920	1,456,920
Accumulated losses		(212,376)	(125,111)
Total Shareholders' Equity		1,244,544	1,331,809
<b>Current Liabilities</b>			
Other payables	9	1,282,760	565,848
Total Current Liabilities		1,282,760	565,848
<b>Total Equity and Liabilities</b>		<b>2,527,304</b>	<b>1,897,657</b>

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

**PARSVNATH DEVELOPERS PTE. LTD.**

Statement of Comprehensive Income for the year ended to 31 March 2019

	<u>Note</u>	<u>2019</u> S\$	<u>2018</u> S\$
<b>Revenue</b>			
Turnover		-	-
Cost of sales			
Purchases		-	-
Gross profit		-	-
Other income		54	162
		54	162
<b>Less: Expenses</b>			
Administrative expenses		25,326	25,325
Other operating expenses		7,547	14,463
Finance cost – Penalty for investment properties		54,446	35,208
	10	87,319	(74,996)
<b>Loss before taxation</b>		(87,265)	(74,834)
Income tax	11	-	-
<b>Loss after taxation</b>		(87,265)	(74,834)
<b>Comprehensive income</b>		-	-
<b>Total comprehensive loss</b>		(87,265)	(74,834)

The annexed notes form an integral part of the financial statements

**PARSVNATH DEVELOPERS PTE. LTD.**

Statement of changes in equity for the year ended 31 March 2019

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	<u>Share Capital</u> S\$	<u>Accumulated Losses</u> S\$	<u>Total Equity</u> S\$
<b>Balance at 31.03.2017</b>	1,456,920	(50,277)	1,406,643
Total Comprehensive loss	-	(74,834)	(74,834)
<b>Balance at 31.03.2018</b>	<u>1,456,920</u>	<u>(125,111)</u>	<u>1,331,809</u>
Total Comprehensive loss	-	(87,265)	(87,265)
<b>Balance at 31.03.2019</b>	<u>1,456,920</u>	<u>(212,376)</u>	<u>1,244,544</u>

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

**PARSVNATH DEVELOPERS PTE. LTD.**

Statement of cash flow for the year ended 31 March 2019

	<b>2019</b>	<b>2018</b>
	<b>S\$</b>	<b>S\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating Loss before taxation	(87,265)	(74,834)
Adjustment for:		
Depreciation	-	-
Operating Cash before Working Capital Changes	(87,265)	(74,834)
Working Capital Changes:		
Other receivables	-	(500,000)
Other payables	716,912	36,908
Cash flow from operations	629,647	(537,926)
Income tax (Paid)/refund	-	-
<b>Net Cash Generated from/(Absorbed by) Operating Activities</b>	<b>629,647</b>	<b>(537,926)</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Purchase of investment properties under development	(662,715)	-
<b>Net Cash Absorbed by investing Activity</b>	<b>-</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Amount due from director	-	-
<b>Net Cash Absorbed by Financing Activity</b>	<b>-</b>	<b>-</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(33,068)</b>	<b>(537,926)</b>
Cash and Cash Equivalents at beginning of the Year	51,838	589,764
Cash and Cash Equivalents at end of the Year	<b>18,770</b>	<b>51,838</b>
Comprising:		
Cash in hand	-	-
Cash at Bank	18,770	51,838
	<b>18,770</b>	<b>51,838</b>

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

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

## **1. CORPORATE INFORMATION**

The financial statements of PARSVNATH DEVELOPERS PTE. LTD. for the year ended 31 March 2019 were authorised for issue in accordance with Director's statement issued on **10 MAY 2019**.

The registered office and principal place of business is located at 77 High Street, #07-12/13 High Street Plaza, Singapore 179433.

The principal activities of the Company are those of relating to the development, construction and marketing of real estate projects and investment holding. There have been no significant changes in the nature of these activities during the financial year.

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

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the Company operates. The functional currency of the Company is Singapore Dollar as the sales and expenses are mainly denominated in Singapore Dollar and funds from financing activities are generated in Singapore Dollar.

## **2. GOING CONCERN**

The financial statements of the Company have been prepared on a going concern basis. The validity of the going concern assumption on which the financial statements of the Company are prepared depends on whether the management is able to formulate a viable plan to fulfill its obligations to the developer for the purchase of investment properties and on the continuing financial support from its immediate and ultimate holding company. In the event that the Company is unable to fulfill its obligations to the developer and in the absence of continuing financial support from its immediate and ultimate holding company, the Company will no longer be able to continue as a going concern and may not be able to realise its assets and discharge its liabilities in the normal course of business.

## **3. ADOPTION OF NEW AND REVISED SINGAPORE FINANCIAL REPORTING STANDARDS**

During the year, the Company have complied in all material respects with applicable Financial Reporting Standards ("FRS") and each applicable Interpretation of a FRS, effective for the financial year in the preparation of the financial statements.

As at the date of authorisation for issue of the financial statements, the following FRSs applicable to the Company were in issue but not yet effective:

**3. ADOPTION OF NEW AND REVISED SINGAPORE FINANCIAL REPORTING STANDARDS (CONT'D)**

In the opinion of the directors, these FRSs do not have significant impact on the financial statements in future periods.

Description	Effective date (annual periods beginning on or after)
FRS 116 Leases	1 Jan 2019

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application. The Company is evaluating the impact on adoption of new standards effective for annual periods beginning on or after 1 April 2018.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with FRSs and the provisions of the Singapore Companies Act.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. The principal accounting policies adopted are set out below:

**4.1 FOREIGN CURRENCY**

Transactions in foreign currencies are measured in Singapore dollars and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of comprehensive income.

**4.2 INVESTMENT PROPERTY**

Investment property is a property that is owned by the Company to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprise property that is being constructed or developed for future use as investment property.

Investment property under development is stated at cost less impairment losses and is not subject to depreciation until completion of the development.

**4.3 IMPAIRMENT OF NON-FINANCIAL ASSETS**

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

#### 4.3 IMPAIRMENT OF NON-FINANCIAL ASSETS – (CONT'D)

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 recognized 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 reversed, 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 recognized for the assets (cash-generating unit) in prior years.

A reversal of an impairment loss is recognized 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.

#### 4.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise bank balance that are readily convertible to a known amount of cash with an insignificant risk of changes in value.

#### 4.5 FINANCIAL ASSETS

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised and derecognised using trade date accounting.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or a shorter period to the net carrying amount of the financial assets.

##### **(i) Loans and Receivables**

Loans and receivables are non-derivative financial assets (such as other receivables and deposits held in bank) with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method less any accumulated impairment losses. Gains or losses are recognised in profit or loss when loans and receivables are derecognised or impaired.

For certain category of financial assets, such as trade and receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade and receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in later periods, the amount of any impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

#### 4.5 FINANCIAL ASSETS (CONT'D)

##### *(ii) Impairment of Financial Assets*

If there is objective evidence that impairment losses have been incurred on financial assets carried at cost, the amount of any impairment loss is measured as the differences between the carrying amounts of the financial assets and the present value of their estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

##### *(iii) Derecognition of Financial Assets*

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the Company transfers the financial assets and the transfers qualify for derecognition.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

#### 4.6 FINANCIAL LIABILITIES

Financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at fair value, plus transaction costs for financial liabilities not at 'fair value through profit or loss'.

After initial recognition, financial liabilities are either classified as at 'fair value through profit or loss' or amortised cost using the effective interest method.

##### *Financial Liabilities at Amortised Cost using the Effective Interest Method*

Effective interest method is a method of calculating the amortised cost of financial liabilities and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or a shorter period to the net carrying amount of the financial liabilities. After initial recognition, financial liabilities other than financial liabilities at 'fair value through profit or loss' are measured at amortised cost using the effective interest method.

#### 4.7 EMPLOYEE BENEFITS

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund such as the Central Provident Fund in Singapore. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.



**4.8 INCOME TAX**

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are charged or credited to other comprehensive income or equity if the tax relates to items that are credited or charged directly to other comprehensive income or equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the reporting date.

The carrying amount of the deferred tax assets are reviewed at each reporting date, and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

**4.9 PROVISIONS**

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised based on a reliable estimate of the amount of the obligation.

**4.10 CONTINGENCIES**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

**4.11 SHARE CAPITAL**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds. Shares have no par value as per Singapore Company Act Cap 50. All shares carry equal voting rights and dividends distribution rights.

**5. INVESTMENT PROPERTY UNDER DEVELOPMENT**

<u>2019</u>	<u>Properties</u>	<u>Total</u>
	S\$	S\$
<b><u>COST</u></b>		
Balance at beginning of year	745,819	745,819
Additions	662,715	662,715
Balance at end of year	<u>1,408,534</u>	<u>1,408,534</u>

## 5. INVESTMENT PROPERTY UNDER DEVELOPMENT- (CONT'D)

<u>2019</u>	<u>Properties</u>	<u>Total</u>
	S\$	S\$
<b><u>DEPRECIATION</u></b>		
Balance at beginning of year	-	-
Charge for the year	-	-
Balance at end of year	-	-
<b><u>NET BOOK VALUE</u></b>		
At end of year	<u>1,408,534</u>	<u>1,408,534</u>
	<u>Properties</u>	<u>Total</u>
	S\$	S\$
<b><u>COST</u></b>		
Balance at beginning of year	-	-
Additions	745,819	745,819
Balance at end of year	<u>745,819</u>	<u>745,819</u>
<b><u>DEPRECIATION</u></b>		
Balance at beginning of year	-	-
Charge for the year	-	-
Balance at end of year	-	-
<b><u>NET BOOK VALUE</u></b>		
At end of year	<u>745,819</u>	<u>745,819</u>

The abovementioned two investment properties are located at 320 Serangoon Road, #10-07 and #10-08, Centrium Square, Singapore 218108. They are under construction. The purchase price (excluding all other costs) is S\$1,548,000 each.

## 6. OTHER RECEIVABLE

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Other receivable	<u>1,100,000</u>	<u>1,100,000</u>

Other receivable pertained advances to a third party, which is unsecured, non-interest bearing repayable by 30 September 2017, the Company has extended the repayment date by 30 September 2018 and with the option to further extension of up to 31 March 2020.

## 7. CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Cash at bank	<u>18,770</u>	<u>51,838</u>

**8. SHARE CAPITAL**

	<u>2019</u> Shares	<u>2019</u> S\$	<u>2018</u> Shares	<u>2018</u> S\$
Balance at beginning and end of year	856,920	1,456,920	856,920	1,456,920

The ordinary share carries equal voting rights with no fixed payments, no par value and share of the profits.

**9. OTHER PAYABLES**

	<u>2019</u> S\$	<u>2018</u> S\$
Accrual	8,356	8,606
Amount due to developer	1,274,404	557,242
	<u>1,282,760</u>	<u>565,848</u>

The amount owing to developer relates to the balance 35% progressive payment of \$1,219,958 (2018: \$497,036) payable within 8 weeks from the date of option to purchase. In accordance with clause 6.5 of sale and purchase agreement, interest on the unpaid amount is payable until receipt of full payment. As at 31 March 2019, late interest accrued amounted to \$114,652 (2018: \$60,206) has been included as part of the amount due to the developer.

The amount owing to developer remain outstanding as at the date of this report.

**10. LOSS BEFORE TAXATION**

The following items have been included in arriving at loss before taxation:

	<u>2019</u> S\$	<u>2018</u> S\$
Administrative expenses:		
- Salary – staff	21,600	21,600
- CPF contribution – staff	3,726	3,725
Finance cost	54,446	35,208

Finance cost above is accrued for non-payment to developer after the initial payment of 5% option to purchase.

**11. INCOME TAX**

The following provision of income tax and disclosures are subject to tax finalization and agreement by the Inland Revenue Authority of Singapore.

	<u>2019</u> S\$	<u>2018</u> S\$
Tax expense attributable to profit is made up of:		
- Current income tax	-	-

**11. INCOME TAX (CONT'D)**

Reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate for the year ended was as follows:

	<u>2019</u> S\$	<u>2018</u> S\$
Profit/(Loss) before Taxation	(87,265)	(74,834)
Tax thereon @ 17%	(14,835)	(12,722)
Tax losses not allowed to carried forward	14,835	12,722
Provision for taxation for the year	-	-

**12. CAPITAL COMMITMENTS**

Capital expenditures contracted for at the balance sheet date but not recognized in the financial statements as follows:

	<u>2019</u> S\$	<u>2018</u> S\$
Capital work in progress	2,650,862	2,650,862

**13. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's overall risk management policy seeks to minimize potential adverse effects on the financial performance of the Company. The Company however does not have any written risk management policies and guidelines. The directors monitor the following risk management of the Company and believe that the financial risks associated with financial instruments are minimal.

***Liquidity Risk***

The Company maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Directors manage the liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

<u>2019</u>	<u>One year or less</u> S\$	<u>More than one year</u> S\$	<u>Total</u> S\$
Other Payables	1,282,760	-	1,282,760
<b>Total</b>	<b>1,282,760</b>	<b>-</b>	<b>1,282,760</b>
<u>2018</u>	<u>One year or less</u> S\$	<u>More than one year</u> S\$	<u>Total</u> S\$
Other Payables	565,848	-	565,848
<b>Total</b>	<b>565,848</b>	<b>-</b>	<b>565,848</b>

**13. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES – (CONT'D)*****Interest Rate Risk***

The company is not exposed to interest rate risk. However, with the current interest rate level, any variation in the interest rates will not have a material impact on the net income of the company.

***Credit Risk***

Cash and bank balances are placed with reputable financial institutions based on rating agencies' ratings. The Company placed funds in respect of other financial assets by reference to the investment evaluation procedures to ensure that the credit risk is kept at minimum level.

Therefore, credit risk arises mainly from the inability of its customers to make payments when due.

The carrying amounts of the financial assets recorded on the statement of financial position at the reporting date represent the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk other than those disclosed in the notes.

***Market Risk***

The company was not exposed to any market risk during the financial year.

***Capital Management***

The primary objective of the management of the Company's capital structure is to optimise the balance between debts and equity to achieve a low cost of capital and maximise the return to stakeholders.

The capital structure of the Company consists of equity (comprising issued ordinary shares and retained earnings). The Company monitors their capital using a gearing ratio, based on total debts divided by total equity. The directors review the capital structure at least quarterly and consider the cost of capital and the risks associated with each class of capital.

The Company are not subject to externally imposed capital requirements.

During the financial year, no significant changes were made in the objectives, policies or processes for managing capital.

**14. AUTHORIZATION OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue in accordance with a resolution of the Board of Directors of Parsvnath Developers Pte Ltd on

10 MAY 2019

**PARSVNATH DEVELOPERS PTE. LTD.**

Detailed Statement of Comprehensive Income for the year ended 31 March 2019

	<u>2019</u> S\$	<u>2018</u> S\$
<b>Revenue</b>	-	-
Cost of Sales	-	-
Gross profit	-	-
<b>Other income</b>		
Temporary employment grant	54	162
	54	162
<b>Administrative Expense:</b>		
CPF & FWL	3,726	3,725
Salaries & related expenses	21,600	21,600
	(25,326)	(25,325)
<b>Other Operating Expenses:</b>		
Audit fee	5,000	5,000
Bank charges	190	90
Professional fees	-	7,413
Printing & stationery	-	30
Postage & courier	78	181
Secretarial expenses	1,880	1,350
Telephone expenses	399	399
	(7,547)	(14,463)
<b>Finance costs</b>		
Interest expenses – Penalty for investment properties	(54,446)	(35,208)
<b>Net Loss for the year</b>	(87,265)	(74,834)