

PARSVNATH DEVELOPERS PTE. LTD.

Working Statement of Financial Position as at 31 March 2021

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Assets			
Non – Current Assets			
Investment property under development	5	3,437,069	1,905,570
Current Assets			
Other receivables	6	604,068	1,100,000
Cash and cash equivalents	7	3,507	2,166
Total Current Assets		607,575	1,102,166
Total Assets		4,044,644	3,007,736
Equity and Liabilities			
Capital and Reserves			
Share capital	8	1,456,920	1,456,920
Accumulated losses		(364,452)	(301,287)
Total Shareholders' Equity		1,092,468	1,155,633
Current Liabilities			
Other payables	9	2,952,176	1,852,103
Total Current Liabilities		2,952,176	1,852,103
Total Equity and Liabilities		4,044,644	3,007,736

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 2021

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
Revenue			
Turnover		-	-
Cost of sales			
Purchases		-	-
Gross profit		-	-
Other income	10	7,354	92
		7,354	92
Less: Expenses			
Administrative expenses		18,306	24,960
Other operating expenses		10,857	7,098
Finance cost – Penalty for investment properties		41,356	56,945
	11	70,519	89,003
Loss before taxation		(63,165)	(88,911)
Income tax	12	-	-
Loss after taxation		(63,165)	(88,911)
Comprehensive income		-	-
Total comprehensive loss		(63,165)	(88,911)

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 2021

	<u>Share Capital</u>	<u>Accumulated Losses</u>	<u>Total Equity</u>
	S\$	S\$	S\$
Balance at 31.03.2019	1,456,920	(212,376)	1,244,544
Total Comprehensive loss	-	(88,911)	(88,911)
Balance at 31.03.2020	<u>1,456,920</u>	<u>(301,287)</u>	<u>1,155,633</u>
Total Comprehensive loss	-	(63,165)	(63,165)
Balance at 31.03.2021	<u><u>1,456,920</u></u>	<u><u>(364,452)</u></u>	<u><u>1,092,468</u></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 2021

	<u>2021</u> S\$	<u>2020</u> S\$
CASH FLOW FROM OPERATING ACTIVITIES		
Operating Loss before taxation	(63,165)	(88,911)
Adjustment for:		
Depreciation	-	-
Operating Cash before Working Capital Changes	(63,165)	(88,911)
Working Capital Changes:		
Other receivables	495,932	-
Other payables	1,104,073	412,343
Cash flow from operations	1,536,840	323,432
Income tax (Paid)/refund	-	-
Net Cash Generated from Operating Activities	<u>1,536,840</u>	<u>323,432</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of investment properties under development	(1,531,499)	(497,036)
Net Cash Used in Investing Activity	<u>(1,531,499)</u>	<u>(497,036)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Amount due to directors	(4,000)	80,000
Amount due to a related party	-	77,000
Net Cash (Used in)/Generated from Financing Activities	<u>(4,000)</u>	<u>157,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	1,341	(16,604)
Cash and Cash Equivalents at beginning of the Year	2,166	18,770
Cash and Cash Equivalents at end of the Year	<u>3,507</u>	<u>2,166</u>
Comprising:		
Cash in hand	-	-
Cash at Bank	3,507	2,166
	<u>3,507</u>	<u>2,166</u>

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 2021 were authorised for issue in accordance with Director's statement issued on 15 September 2021.

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

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 March 2021 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.

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

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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.

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*Recognition and derecognition*

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.5 FINANCIAL ASSETS (CONT'D)***Classification and measurement*

All financial assets are subsequently measured in their entirety at either amortised cost, or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the amortised cost measurement category.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

Debt instruments include cash and cash equivalents and trade and other receivables. The subsequent measurement category is depending on the Company's business model for managing the asset and cash flow characteristics of the asset.

Amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of the principal and interest on the principal amount outstanding.
- Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.
- Interest income from these financial assets is included in interest income using the EIR method.

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.6 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.

4.7 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.

4.8 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.

4.9 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.

4.10 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>2021</u>	
	<u>Properties</u>	<u>Total</u>
	S\$	S\$
<u>COST</u>		
Balance at beginning of year	1,905,570	1,905,570
Additions	1,531,499	1,531,499
Balance at end of year	<u>3,437,069</u>	<u>3,437,069</u>
<u>DEPRECIATION</u>		
Balance at beginning of year	-	-
Charge for the year	-	-
Balance at end of year	<u>-</u>	<u>-</u>
<u>NET BOOK VALUE</u>		
At end of year	<u>3,437,069</u>	<u>3,437,069</u>

	<u>2020</u>	
	<u>Properties</u>	<u>Total</u>
	S\$	S\$
<u>COST</u>		
Balance at beginning of year	1,408,534	1,408,534
Additions	497,036	497,036
Balance at end of year	<u>1,905,570</u>	<u>1,905,570</u>
<u>DEPRECIATION</u>		
Balance at beginning of year	-	-
Charge for the year	-	-
Balance at end of year	<u>-</u>	<u>-</u>
<u>NET BOOK VALUE</u>		
At end of year	<u>1,905,570</u>	<u>1,905,570</u>

The abovementioned two investment properties are located at 320 Serangoon Road, #10-07 and #10-08, Centrium Square, Singapore 218108.

6. OTHER RECEIVABLE

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Amount due from third parties	600,000	1,100,000
Accruals	<u>4,068</u>	<u>-</u>
	<u>604,068</u>	<u>1,100,000</u>

Amount due from third parties include an outstanding amount of S\$595,000 advance to a third party, which is unsecured, non-interest bearing repayable by 30 September 2021, the Company has extended the repayment date by 30 December 2021 and with the option to further extension of up to 31 March 2022.

7. CASH AND CASH EQUIVALENTS

	<u>2021</u> S\$	<u>2020</u> S\$
Cash at bank	<u>3,507</u>	<u>2,166</u>

8. SHARE CAPITAL

	<u>2021</u> Shares	<u>2021</u> S\$	<u>2020</u> Shares	<u>2020</u> S\$
Balance at beginning and end of year	<u>856,920</u>	<u>1,456,920</u>	<u>856,920</u>	<u>1,456,920</u>

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

9. OTHER PAYABLES

	<u>2021</u> S\$	<u>2020</u> S\$
Accrual	5,000	6,718
Amount due to developer	1,688,385	1,688,385
Amount due to related parties	153,000	157,000
Loan payable	<u>1,105,791</u>	<u>-</u>
	<u>2,952,176</u>	<u>1,852,103</u>

The amount owing to developer relates to the balance 50% progressive payment of S\$1,688,385 (2020: S\$1,688,385) 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 2021, late interest accrued amounted to S\$171,597 (2020: S\$171,597) 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.

Amount due to related parties are unsecured, interest free with no fixed terms of repayment.

Loan payable pertained to loan obtained from a third party during the financial year, which will be repaid by 24 installments with an interest of 7.50% per annum.

10. OTHER INCOME

	<u>2021</u> S\$	<u>2020</u> S\$
Job support scheme	6,706	-
Special employment credit	648	-
Temporary employment credit	<u>-</u>	<u>92</u>
	<u>7,354</u>	<u>92</u>

11. LOSS BEFORE TAXATION

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

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Administrative expenses:		
- Salary – staff	16,200	21,600
- CPF contribution – staff	2,106	3,360
Finance cost	<u>41,356</u>	<u>56,945</u>

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

12. 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>2021</u>	<u>2020</u>
	S\$	S\$
Tax expense attributable to profit is made up of:		
- Current income tax	<u>-</u>	<u>-</u>

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>2021</u>	<u>2020</u>
	S\$	S\$
Profit/(Loss) before Taxation	<u>(63,165)</u>	<u>(88,911)</u>
Tax thereon @ 17%	(10,738)	(15,115)
Tax losses not allowed to carried forward	<u>10,738</u>	<u>15,115</u>
Provision for taxation for the year	<u>-</u>	<u>-</u>

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.

13. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)*Liquidity Risk (Cont'd)*

<u>2021</u>	<u>One year or less</u> S\$	<u>More than one year</u> S\$	<u>Total</u> S\$
Other Payables	2,952,176	-	2,952,176
Total	2,952,176	-	2,952,176
<u>2020</u>	<u>One year or less</u> S\$	<u>More than one year</u> S\$	<u>Total</u> S\$
Other Payables	1,852,103	-	1,852,103
Total	1,852,103	-	1,852,103

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

Bank balance is placed with reputable financial institution 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 to the financial statements.

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 15 September 2021.

15. SUBSEQUENT EVENTS

The extent of the impact of the Covid-19 outbreak on the financial performance business operation will depend on future developments, including the duration of Covid-19 in the market and overall economy all of which are highly uncertain and cannot be predicted. As the situation is still evolving and remain uncertain, the Company will continue to monitor, the impact of the virus outbreak as part of its risk management activities.

PARSVNATH DEVELOPERS PTE. LTD.

Detailed Statement of Comprehensive Income for the year ended 31 March 2021

	<u>2021</u> S\$	<u>2020</u> S\$
Revenue	-	-
Cost of Sales	-	-
Gross profit	-	-
Other income		
Job support scheme	6,706	-
Special employment credit	648	-
Temporary employment credit	-	92
	7,354	92
Administrative Expense:		
CPF contribution	2,106	3,360
Salaries & related expenses	16,200	21,600
	(18,306)	(24,960)
Other Operating Expenses:		
Audit fee	5,000	5,000
Bank charges	426	389
General expenses	108	-
Postage & courier	99	-
Property tax	5,058	-
Secretarial expenses	-	1,310
Telephone expenses	166	399
	(10,857)	(7,098)
Finance costs		
Interest expenses – Penalty for investment properties	(41,356)	(56,945)
Net Loss for the year	<u>(63,165)</u>	<u>(88,911)</u>

The above statement does not form of the audited financial statements