IPCL PTE. LTD.
(Incorporated in Singapore)
Co. Reg. No.: 201326959C

Financial Statements for the year ended
31 March 2015

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The directors submit the directors' report and the audited financial statements of 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:

Dinesh Ramaraju
Laxmi Narayan Mandhana (appointed on 13 October 2014)

2. Arrangement to Enable Directors to Acquire Shares or 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 of the Company or other body corporate.

3. Directors' Interest in Shares

According to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act Cap 50, the directors of the Company had no interest in the shares of the Company at the beginning or end of the financial year.

4. Directors' Contractual Benefits

Since end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, other than those disclosed in the financial statements.

5. Share Options

No options to take up unissued shares of the Company were granted during the financial year.

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

There were no unissued shares of the Company under options as at the end of the financial year.

6. Auditors

Akber Ali & Co. have expressed their willingness to accept re-appointment.

Signed by:

Dinesh Ramaraju
Director

Laxmi.N.Mandhana

Laxmi Narayan Mandhana
Director

Singapore
26 MAY 2015

In our opinion,

(i) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with notes thereto 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 the results, changes in equity and cash flows of the Company for the financial year then ended; and

(ii) at the date of this statement and with continuing financial support from the shareholder, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed by:

Dinesh Ramaraju
Director

Laxmi Narayan Mandhana
Director

Singapore
26 MAY 2015

AKBER ALI & CO.
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS

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Independent Auditors' Report to the Members of
IPCL PTE. LTD.
Reg No. 201326959C

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position 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 judgment, 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 audit opinion.

Opinion

In our opinion, 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 the cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 (a) to the financial statements. As at 31 March 2015, the Company's total liabilities exceeded its total assets by S$13,710. The financial statements have been prepared on a going concern basis as the ultimate holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months. Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

Singapore
26 MAY 2015

AKBER ALI & CO.
Public Accountants and Chartered Accountants

	Note	Year ended 31.3.2015 S$	Period ended 31.3.2014 S$
TURNOVER		-	-
Other operating expenses	4	(7,555)	(4,287)
Interest on loan to holding company		(13,868)	-
LOSS BEFORE TAXATION		(21,423)	(4,287)
Taxation	5	-	-
LOSS AFTER TAXATION		(21,423)	(4,287)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(21,423)	(4,287)

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

	Note	2015 S$	2014 S$
SHARE CAPITAL	6	12,000	5,000
ACCUMULATED LOSSES		(25,710)	(4,287)
		(13,710)	713
Represented by:			
CURRENT ASSETS			
Bank balance		937	117
Prepayments	7	492,927	2,018
		493,864	2,135
LESS : CURRENT LIABILITIES			
Sundry payables and accruals	8	3,786	1,422
Amount due to holding company	9	503,788	-
		507,574	1,422
NET CURRENT (LIABILITIES)/ASSETS		(13,710)	713

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

	Share capital S$	Accumulated losses S$	Total S$
Balance at incorporation date	**5,000**	**-**	**5,000**
Total comprehensive income	-	(4,287)	(4,287)
Balance at 31/3/2014	**5,000**	**(4,287)**	**713**
Issuance of shares	7,000	-	7,000
Total comprehensive income	-	(21,423)	(21,423)
Balance at 31/3/2015	**12,000**	**(25,710)**	**(13,710)**

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

	Year ended 31.3.2015 S$	Period ended 31.3.2014 S$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(21,423)	(4,287)
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	(21,423)	(4,287)
Working capital changes:		
Prepayments	(490,909)	(2,018)
Sundry payables and accruals	2,364	1,422
NET CASH USED IN OPERATING ACTIVITIES	(509,968)	(4,883)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share capital	7,000	5,000
Amount due to holding company	503,788	-
NET CASH GENERATED FROM FINANCING ACTIVITIES	510,788	5,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	820	117
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD	117	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	937	117
Comprising:		
Bank balance	937	117
	937	117

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

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

1. Corporate Information

The Company is an exempt private company, incorporated and domiciled in Singapore.

The registered office of the Company is located at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712.

The principal activity of the Company is that of distribution and supply of electrical energy of all kinds and own and to operate and maintain power generation and related activities.

However, the Company did not trade since the incorporation date.

The financial statements of the Company, which is incorporated in Singapore, are prepared for the financial year ended 31 March 2015 and were authorised for issue in accordance with a resolution of the directors issued on the date of directors' report.

Holding Company and Ultimate Holding Company

The Company is 100% owned by **INDIA POWER CORPORATION LIMITED**, a company incorporated in India, which is also its ultimate holding company.

2. Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Companies Act.

The financial statements of the Company are prepared in accordance with historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

As at 31 March 2015, the Company's total liabilities exceeded its total assets by S$13,710. The financial statements have been prepared on a going concern basis as the ultimate holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months. Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

The accounting policies have been consistently applied by the Company during the financial year.

The financial statements are presented in Singapore dollars ("SGD"), which is the Company's functional currency. All financial information is presented in Singapore dollars unless otherwise stated.

New Accounting Standards and Interpretations

The Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations which become effective during the financial year. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

2. Significant Accounting Policies – Continued

(a) Basis of Preparation - continued

New Accounting Standards and Interpretations Not Yet Adopted

New FRS, amendments to FRS and interpretations that are not yet effective for the financial year beginning on or after 1 April 2014 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 upon initial application.

(b) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognised.

Sales of Goods

Revenue is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer.

(c) Income Taxes

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred income tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the statement of financial position date.

At each statement of financial position date, the Company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Company recognises a previously unrecognised deferred tax asset to the extent that it is has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilised.

2. Significant Accounting Policies – Continued

(d) Financial Assets

Financial assets, other than hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date – the date on which the Company commit to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognised at fair value, plus transaction costs.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at each statement of financial position date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. Any reversal shall not result in a carrying amount that exceeds what the amortised cost would have been had any impairment loss not been recognised at the date of the impairment is reversed. Any reversal is recognised in the profit or loss.

Receivables are provided against when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables include trade and non-trade balances with third parties.

2. Significant Accounting Policies – Continued

(e) Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

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 was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost
If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include bank balances.

(g) Financial Liabilities

The Company's financial liability includes sundry payables and accruals and amount due to holding company.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance costs" in the profit or loss.

2. Significant Accounting Policies – Continued

(g) Financial Liabilities - continued

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the year of borrowings using effective interest method.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Borrowings which are due to be settled within twelve months after the statement of financial position date are in current borrowings in the statement of financial position even though the original terms were for a year longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the statement of financial position date. Borrowings to be settled within the Company's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the statement of financial position date are included in the non-current borrowings in the statement of financial position.

Equity instruments issued by the Company, if any, are recorded at the proceeds received, net of direct issue costs.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(h) Provisions

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

(i) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2. Significant Accounting Policies – Continued

(j) Functional Currency and Foreign Currency Transactions

Functional Currency

Items included in the financial statements in the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Company are presented in Singapore dollars ("SGD"), which is the functional currency.

Foreign Currency Transactions

Transactions in foreign currencies are measured in SGD and recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at statement of financial position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates. All resultant exchange differences are recognised in the profit or loss.

(k) Related Party

A related party is defined as one in which there are common shareholders/directors who control and exercise significant influence in making financial and operating decisions.

Key Management Personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

3. Critical Accounting Estimates, Assumptions and Judgments

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, 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 result may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical Judgments in Applying the Company's Accounting Policies

Management is of the opinion that there are no critical judgments involved that have a significant effect on the amounts recognised in the financial statements.

Key Sources of Estimating Uncertainty

Management is of the opinion that there are no key assumptions made concerning the future and other key sources of estimating uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Other Operating Expenses

	Year ended 31.3.2015 S$	Period ended 31.3.2014 S$
Professional fees	4,383	2,418
Others	3,172	1,869
	7,555	4,287

5. Taxation

There is no tax charge nor tax loss allowed to be carried forward as the Company has not traded since its incorporation.

6. Share Capital

	2015		2014	
	No. of shares	Amount S$	No. of shares	Amount S$
Issued and paid ordinary shares				
At beginning of the financial year	5,000	5,000	5,000	5,000
Issuance of new shares	7,000	7,000	-	-
As at 31 March	12,000	12,000	5,000	5,000

During the financial year, the Company issued 7,000 ordinary shares for the value of S$7,000 for cash for working capital purposes.

All issued ordinary shares have no par value and are fully paid. 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. All shares rank equally with regard to the Company's residual assets.

7. Prepayments

	2015 S$	2014 S$
Prepayments	492,927	2,018

During the year, the Company has made payment of $490,910 towards consultancy services, included in prepayment above, to evaluate business initiative, so as to enhance the principal activity of the Company. The services shall be rendered by them in the next financial year and hence classified as prepayment. The amount paid shall be charged to expenses in the next financial year.

8. Sundry Payables and Accruals

	2015 S$	2014 S$
Sundry payables	2,086	168
Accruals	1,700	1,254
	3,786	1,422

9. Amount Due to Holding Company

Amount due to holding company (interest bearing) is non-trade in nature, unsecured and repayable on demand. It is interest-bearing at 8.5% (2014: Nil%) per annum.

10. Financial Risk Management

The main risks arising from the Company's financial instruments are summarised as follows:

Market Risk

- **Price risk**

The Company has insignificant exposure to equity price risk as it does not hold any equity financial assets.

- **Interest Rate Risk**

Cash flows interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not use natural hedges or derivative financial instruments such as interest rate swaps, caps and options.

The Company has an insignificant exposure to interest rate risk.

- **Foreign Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not use derivative financial instruments such as foreign currency forward exchange contracts and currency options.

The Company has an insignificant exposure to foreign currency risk.

Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Company. The Company minimise credit risk by dealing exclusively with high credit rating counterparties.

<u>Financial assets that are neither past due nor impaired</u>

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables and other receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

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

10. Financial Risk Management - continued

Liquidity Risk

Liquidity risk arises in the general funding of the Company's business activities. It includes the risks of not being able to fund the business activities at settlement dates and liquidate assets in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its business activities through the use of funds from the shareholders.

As at 31 March 2015, the Company's total liabilities exceeded its total assets by $13,710. The financial statements have been prepared on a going concern basis as the ultimate holding company intends to provide adequate funds to enable the Company to meet their liabilities as and when they fall due and to sustain the Company's normal operations for the next 12 months. Accordingly, the financial statements do not include any adjustments that may have to be made to reflect the situation that assets may have to be realised at other than the amounts at which they are currently recorded in the statement of financial position or provide for further liabilities that might arise.

The table below analyses the maturity profile of the Company's financial liability based on contractual undiscounted cash flows.

	On demand or within 1 year	
	2015	2014
	S$	S$
Sundry payables and accruals	3,786	1,422
Amount due to holding company	503,788	-
	507,574	1,422

11. Financial Instruments

a) Fair Values

The carrying amounts of the financial assets and financial liabilities approximate their fair values.

The Company does not anticipate that the carrying amounts recorded at statement of financial position date would be significantly different from the values that would eventually be received or settled.

b) Classification of Financial Instruments

The following tables set out the classification of financial instruments at the end of the reporting periods:

	Loans and receivables	Liabilities at amortised cost
	S$	S$
2015		
Financial Asset		
Bank balance	937	-
Financial Liability		
Sundry payables and accruals	-	3,786
Amount due to holding company	-	503,788
	-	507,574

11. Financial Instruments – Continued

b) Classification of Financial Instruments - continued

	Loans and receivables S$	Liabilities at amortised cost S$
2014		
Financial Asset		
Bank balance	117	-
Financial Liability		
Sundry payables and accruals	-	1,422

12. Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The Company is not subject to externally imposed capital requirements. The management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since the incorporation date.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as summation of sundry payables and accruals and amount due to holding company less bank balances. Total capital is calculated as summation of total equity plus net debt.

	2015 S$	2014 S$
Debt	507,574	1,422
Less: Bank balance	(937)	(117)
Net debt	506,637	1,305
Total equity	(13,710)	713
Total capital	492,927	2,018
Gearing ratio	**103%**	**65%**

13. Comparative Figures

The prior period financial statements cover the financial period from 4 October 2013 (date of incorporation) to 31 March 2014 (6 months), whereas the current financial year financial statements cover the financial year ended 31 March 2015 (12 months). As such the figures are not comparable.

	Year ended 31.3.2015 S$	Period ended 31.3.2014 S$
TURNOVER	-	-
LESS: OTHER OPERATING EXPENSES		
Audit fees	1,869	1,200
Bank charges	313	75
Professional fees	4,383	2,418
Secretarial fees	856	420
General expenses	113	119
Postage and telegram	21	55
	(7,555)	(4,287)
Interest on loan to holding company	(13,868)	-
LOSS BEFORE TAXATION	(21,423)	(4,287)