

# **Punj Lloyd (Thailand) Co., Ltd**

Statutory Financial Statements

For the year ended March 31, 2015

and Audit report of Certified Public Accountant



**Audit report of Certified Public Accountant**

**To the shareholders of Punj Lloyd (Thailand) Co., Ltd**

*Report on the financial statements*

We have audited the accompanying financial statements of Punj Lloyd (Thailand) Co., Ltd , which comprise the statement of financial position as at March 31, 2015 and the related statements of income and the statement of changes in equity for the year ended, and the summary of significant accounting policies and other explanatory notes.

*Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs). This responsibility includes devising and maintaining a system of internal accounting controls to permit the preparation of true and fair of the financial statements, which are free from material misstatement, whether due to fraud or error.

*Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Thai Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial statements 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. S



**Audit report of Certified Public Accountant (Continued)**

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 are properly drawn up in accordance with the Thai Financial Reporting Standard for Non-publicly Accountable Entities (TFRS for NPAEs) so as to give a true and fair view of the state of affairs of Punj Lloyd (Thailand) Co., Ltd as at March 31, 2015 and the results of its operations and changes in equity of the company for the year ended.

*S. Angsuvapattanakul*

(Sutee Angsuvapattanakul)

Certified Public Accountant (CPA)

Registration number 6437

VCV Auditing Service Co., Ltd.

Bangkok

April 24, 2015

**Punj Lloyd (Thailand) Co., Ltd**  
**Statements of Financial Position**  
**As at March 31, 2015**

		<b>In Baht</b>	
	<b>Notes</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	2,629,316.28	2,109,276.53
Accounts receivables - trade and others		-	25,040,653.86
Other current assets		3,638,420.50	3,322,306.02
<b>Total Current Assets</b>		<b>6,267,736.78</b>	<b>30,472,236.41</b>
<b>Non-Current Assets</b>			
Restricted bank deposits	4	43,714,003.28	43,714,003.28
Equipment, net	5	-	27,333,333.33
<b>Total Non-Current Assets</b>		<b>43,714,003.28</b>	<b>71,047,336.61</b>
<b>Total Assets</b>		<b>49,981,740.06</b>	<b>101,519,573.02</b>

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

**Punj Lloyd (Thailand) Co., Ltd**  
**Statements of Financial Position (Cont'd)**  
**As at March 31, 2015**

	Note	In Baht	
		2015	2014
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payables - trade and others		45,320,012.12	80,197,213.27
Liability under hire purchase agreement - current portion	6	-	10,304,123.34
Accrued expenses and other current liabilities		50,000.00	86,425.32
<b>Total Current Liabilities</b>		<b>45,370,012.12</b>	<b>90,587,761.93</b>
<b>Total Liabilities</b>		<b>45,370,012.12</b>	<b>90,587,761.93</b>
<b>Shareholders' Equity</b>			
Shares capital			
Authorized share capital - 100,000 ordinary shares of par Bath 100 each			
Issued and paid-up share capital - 100,000 ordinary shares of par Bath 100 each		10,000,000.00	10,000,000.00
Retained earnings (Deficit)		(5,388,272.06)	931,811.09
<b>Total shareholders' equity</b>		<b>4,611,727.94</b>	<b>10,931,811.09</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>49,981,740.06</b>	<b>101,519,573.02</b>

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

**Punj Lloyd (Thailand) Co., Ltd**  
**Statement of Income**  
**For the year ended March 31, 2015**

	Notes	In Baht	
		2015	2014
<b>Revenues</b>			
Rental income		-	7,920,000.00
Revenues from construction services		-	5,953,800.00
Interest income		153,670.29	213,672.58
<b>Total Revenues</b>		<b>153,670.29</b>	<b>14,087,472.58</b>
<b>Expenses</b>			
Costs of services	7	3,333,333.33	11,945,000.00
Administrative expenses	8	2,972,537.97	1,269,305.39
<b>Total expenses</b>		<b>6,305,871.30</b>	<b>13,214,305.39</b>
<b>Operating Profits (Loss) Before Interest Expenses</b>		<b>(6,152,201.01)</b>	<b>873,167.19</b>
Interest expenses		(167,882.14)	(1,493,063.16)
<b>Net loss for the year</b>		<b>(6,320,083.15)</b>	<b>(619,895.97)</b>
<b>Losses per share</b>		<b>(63.20)</b>	<b>(6.20)</b>

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

**Punj Lloyd (Thailand) Co., Ltd**

**Statement of Changes in Shareholders' Equity**

**For the year ended March 31, 2015**

	<b>In Baht</b>		
	<b>Issued and paid-up share capital</b>	<b>Retained earnings (Deficit)</b>	<b>Total</b>
Balance as at April 1, 2013	10,000,000.00	1,551,707.06	11,551,707.06
Net loss	-	(619,895.97)	(619,895.97)
Balance as at March 31, 2014	10,000,000.00	931,811.09	10,931,811.09
Net loss	-	(6,320,083.15)	(6,320,083.15)
Balance as at March 31, 2015	10,000,000.00	(5,388,272.06)	4,611,727.94

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

**Punj Lloyd (Thailand) Co., Ltd**  
**Notes to the Financial Statements**  
**As at March 31, 2015**

**1. General information**

Punj Lloyd (Thailand) Co., Ltd (“the Company”) is a limited company, incorporated and resident in Thailand on June 6, 2011. The address of the Company’s registered office is as follows:

No. 123 Sun Towers Building, Tower B, Unit B-2904 29<sup>th</sup> Floor, Soi Choeipuang, Vibhavadi Rangsit Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900.

The principle business activity of the Company is to engage in the business of being a contractor for Engineering, Procurement, and Construction services.

**2. Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**2.1 Basis of preparation**

On 6 May 2011, the Federation of Accounting Professions (FAP) published the ‘Thai Financial Reporting Standard for Non-publicly Accountable Entities’ (TFRS for NPAEs). TFRS for NPAEs is effective for financial statements which periods beginning on or after January 1, 2011.

The financial statements have been prepared under the historical cost convention.

The accounting policies used in the preparation of the financial statements are consistent with those used in the financial statements for the year ended March 31, 2014.

An English version of the company financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**2.2 Cash and cash equivalents**

Cash comprise cash on hand, deposit held at call with banks but exclude deposits with banks which are held to maturity, certificates of deposit issued by commercial banks and financial institutions, and restricted deposits. Cash equivalent comprise short-term highly liquid investments with maturities of three months or less from the date of acquisition.



**Punj Lloyd (Thailand) Co., Ltd**

**Notes to Financial Statements (Cont'd)**

**As at March 31, 2015**

**2.3 Accounts receivable – trade and others**

Trade accounts receivable are carried at anticipated realizable value. The company records an allowance for doubtful accounts which is equivalent to the estimated collection losses that may be incurred in the collection of all accounts receivable. The estimated losses are based on historical collection experience combined with a review of the current status of the existing accounts receivable at the balance sheet date.

**2.4 Equipments**

Equipments are stated at cost less any accumulated depreciation and any accumulated allowance for devaluation (if any). Depreciation is charged to the income statement on a straight-line basis over the estimated useful life are as follows:

	<u>No. of Years</u>
Machineries	5

**2.5 Foreign currency transactions**

At the end of each reporting period, foreign currency monetary balances are translated by using the exchange rate at the closing rate. Monetary assets denominated in foreign currency are translated to Thai Baht by using a bank's buying rate and monetary liabilities denominated in foreign currency are translated to Thai Baht by using a bank's selling rate. Non-monetary balances denominated in a foreign currency are carried at cost using the exchange rate at the date of transaction.

Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**2.6 Revenue and cost recognition**

Revenue from construction services are recognized on a percentage of completion basis. The percentage of completion is measured based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Revenue from rendering of service is recognized in the statement of income on the accrual basis

**Punj Lloyd (Thailand) Co., Ltd**

**Notes to Financial Statements (Cont'd)**

**As at March 31, 2015**

The cost of construction services provided under construction contracts are recognized in the statement of income on an accrual basis.

Interest income is recognized in the statement of income on the accrual basis.

**2.7 Leases - where a Company is the lessee**

Leases of property, plant or equipment which substantially transfer all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset or the lease term.

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**2.8 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

**2.9 Income tax**

Corporate Income Tax is calculated in accordance with the Thai's Revenue Code

**2.10 Basic losses per share**

Basic losses per share is calculated by dividing the net losses attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period (100,000 shares).

**Punj Lloyd (Thailand) Co., Ltd**  
**Notes to Financial Statements (Cont'd)**  
**As at March 31, 2015**

**3. Cash and cash equivalents**

	In Baht	
	2015	2014
Cash in banks	2,629,316.28	2,109,276.53
<b>Total</b>	<b>2,629,316.28</b>	<b>2,109,276.53</b>

**4. Restricted bank deposits**

As at March 31, 2015, fixed deposit at a financial institution of Baht 43.7 million were pledged with bank to secure the issuance of bank guarantees on behalf of the Company in respect of certain contract compliances and insurance of advance payment as required in the normal course of businesses.

**5. Equipments, net**

	In Baht			Balance as at March 31, 2015
	Balance as at April 1, 2014	Moments during the year		
		Increased	Decreased	
<b>Cost</b>				
Machinery	40,000,000.00	-	(40,000,000.00)	-
<b>Total</b>	<b>40,000,000.00</b>	<b>-</b>	<b>(40,000,000.00)</b>	<b>-</b>
<b>Accumulated depreciation</b>				
Machinery	(12,666,666.67)	(3,333,333.33)	16,000,000.00	-
<b>Total</b>	<b>(12,666,666.67)</b>	<b>(3,333,333.33)</b>	<b>16,000,000.00</b>	<b>-</b>
<b>Equipment - Net</b>	<b>27,333,333.33</b>			<b>-</b>

Depreciation charged for the year ended March 31, 2015 amounted to Baht 3,333,333.33.

**Punj Lloyd (Thailand) Co., Ltd**

**Notes to Financial Statements (Cont'd)**

**As at March 31, 2015**

**6. Liability under hire purchase agreement**

	In Baht	
	2015	2014
Liability under hire purchase agreement	-	10,985,338.00
Less deferred interest	-	(167,881.11)
Less deferred value added tax	-	(513,333.55)
Liability under hire purchase agreement - Net	-	10,304,123.34
Liability under hire purchase agreement - current portion	-	(10,304,123.34)
Liability under hire purchase agreement - net of current portion	-	-

The company signed the hire purchase agreement to purchase 8 units of machineries with 24 months payment terms. The ownership of the machineries will be transferred to the Company once the last payment has been made.

**7. Cost of services**

	In Baht	
	2015	2014
Depreciation expenses	3,333,333.33	8,000,000.00
Machinery rental	-	3,945,000.00
Contractor charges	-	-
Total	3,333,333.33	11,945,000.00

**8. Administrative expenses**

	In Baht	
	2015	2014
Loss on sales of fixed assets	1,570,093.46	-
Bank charges	1,136,625.04	1,179,641.39
Consulting fee	210,319.35	39,664.00
Audit fee	50,000.00	50,000.00
Others	5,500.12	-
Total	2,972,537.97	1,269,305.39

**Punj Lloyd (Thailand) Co., Ltd**

**Notes to Financial Statements (Cont'd)**

**As at March 31, 2015**

**9. Contingent liabilities**

As at March 31, 2015, the Company is contingently liable to a local financial institution for letter of guarantee issued by the financial institution in favor of a state enterprise amounting to approximately Baht 43.7 million.

**10. Approval of financial statements**

These financial statements have been approved for issuance by the Company's Authorised Directors on April 24, 2015.