

**ADITYA BIRLA SUN LIFE ASSET
MANAGEMENT COMPANY PTE. LTD.**
(Incorporated in the Republic of Singapore)
(Registration Number: 201001946G)

**FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2016**



ROHAN • MAH & PARTNERS LLP
Chartered Accountants, Singapore

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LTD.
(Incorporated in the Republic of Singapore)

Directors

Anantha Subrahmanya Dhananjaya
Asher Mukulchandra Govindji
Balasubramanian Athmanathan
Mark Christopher Rogers
Vikas Gautam

Secretary

Ang Yee Koon Daphne
Kamille Teo Wei Wei

Registered Office

One Marina Boulevard
#28-00
Singapore 018989

Auditors

Rohan • Mah & Partners LLP

Banker

Citibank N.A.

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STATEMENT BY DIRECTORS

The directors are pleased to present their statement to the members together with the audited financial statements of Aditya Birla Sun Life Asset Management Company Pte. Ltd. (the "Company") for the financial year ended 31 March 2016.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debt as and when they fall due.

2 DIRECTORS

The directors of the Company in office at the date of this report are:

Anantha Subrahmanya Dhananjaya
Asher Mukulchandra Govindji
Balasubramanian Athmanathan
Mark Christopher Rogers
Vikas Gautam

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year has no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50.

5 SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

STATEMENT BY DIRECTORS

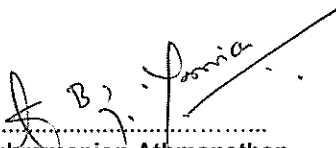
6 AUDITORS

The auditors Messrs Rohan • Mah & Partners LLP have expressed their willingness to accept re-appointment as auditor.

ON BEHALF OF THE BOARD OF DIRECTORS



.....
Vikas Gautam
Director



.....
Balasubramanian Athmanathan
Director

Singapore,

26 APR 2016

INDEPENDENT AUDITORS' REPORT

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LTD.

(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of Aditya Birla Sun Life Asset Management Company Pte. Ltd. ("the Company"), which comprise the statement of financial position as at 31 March 2016, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the 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, Cap 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a 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 financial statements and to maintain accountability of assets.

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 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 judgement, 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.



INDEPENDENT AUDITORS' REPORT

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LTD.

(Incorporated in the Republic of Singapore)

Opinion

In our opinion, the financial statements 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 financial position of the Company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the Company for the 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.

Rohan. Mah & Partners LLP

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants
Singapore

26 April 2016
(RK/MA./SR/GL/MO/JS/as)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 S\$	2015 S\$
ASSETS LESS LIABILITIES			
Non-Current Asset			
Plant and equipment	3	99,793	72,183
Available-for-sale investment	4	-	-
		<u>99,793</u>	<u>72,183</u>
Current Assets			
Trade and other receivables	5	942,003	1,268,055
Cash and cash equivalent	8	1,243,546	674,300
		<u>2,185,549</u>	<u>1,942,355</u>
Current Liabilities			
Trade and other payables	9	1,327,500	1,340,696
		<u>1,327,500</u>	<u>1,340,696</u>
Net current assets		<u>858,049</u>	<u>601,659</u>
Net assets		<u>957,842</u>	<u>673,842</u>
Capital and reserves attributable to equity holders of the Company			
Share capital	11	11,900,000	10,200,000
Accumulated losses		<u>(10,942,158)</u>	<u>(9,526,158)</u>
Total Equity		<u>957,842</u>	<u>673,842</u>

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 S\$	2015 S\$
Revenue	12	<u>3,644,845</u>	<u>3,504,942</u>
Total revenue		3,644,845	3,504,942
Less: Other items of expense			
Depreciation of plant and equipment		36,559	19,353
Fund expenses		1,061,013	524,276
Office rental		110,732	159,696
Staff costs	13	2,332,563	2,241,811
Legal and professional fees		942,940	1,177,422
Travelling expenses		99,468	117,681
Other expenses	14	<u>477,570</u>	<u>416,328</u>
		<u>(5,060,845)</u>	<u>(4,656,567)</u>
Loss before taxation		(1,416,000)	(1,151,625)
Taxation	15	<u>-</u>	<u>-</u>
Loss for the year		<u>(1,416,000)</u>	<u>(1,151,625)</u>
Total comprehensive loss		<u>(1,416,000)</u>	<u>(1,151,625)</u>
Loss attributable to:			
Equity holders of the Company		<u>(1,416,000)</u>	<u>(1,151,625)</u>
Total comprehensive loss attributable to:			
Equity holders of the Company		<u>(1,416,000)</u>	<u>(1,151,625)</u>

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

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

	Share Capital S\$	Accumulated Losses S\$	Total S\$
As at 1 April 2014	9,450,000	(8,374,533)	1,075,467
Issuance of shares (Note 11)	750,000	-	750,000
Total comprehensive loss for the year	<u>-</u>	<u>(1,151,625)</u>	<u>(1,151,625)</u>
As at 31 March 2015	10,200,000	(9,526,158)	673,842
Issuance of shares (Note 11)	1,700,000	-	1,700,000
Total comprehensive loss for the year	<u>-</u>	<u>(1,416,000)</u>	<u>(1,416,000)</u>
As at 31 March 2016	<u>11,900,000</u>	<u>(10,942,158)</u>	<u>957,842</u>

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2016 S\$	2015 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,416,000)	(1,151,625)
Adjustments for:		
Depreciation of plant and equipment	36,559	19,353
Plant and equipment written off	436	
Provisions for the year	855,156	851,523
Operating cash flows before working capital changes	<u>(523,849)</u>	<u>(280,749)</u>
Working capital changes:		
Trade and other receivables	326,052	(476,021)
Trade and other payables	27,344	31,292
Provisions utilised	<u>(895,696)</u>	<u>(437,317)</u>
Cash used in operations	<u>(1,066,149)</u>	<u>(1,162,795)</u>
Net cash used in operating activities	<u>(1,066,149)</u>	<u>(1,162,795)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of plant and equipment	<u>(64,605)</u>	<u>(90,484)</u>
Net cash used in investing activity	<u>(64,605)</u>	<u>(90,484)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from issuance of ordinary shares	<u>1,700,000</u>	<u>750,000</u>
Net cash generated from financing activity	<u>1,700,000</u>	<u>750,000</u>
Net increase/(decrease) in cash and cash equivalents	569,246	(503,279)
Cash and cash equivalents at beginning of year	<u>674,300</u>	<u>1,177,579</u>
Cash and cash equivalents at end of year (Note 8)	<u><u>1,243,546</u></u>	<u><u>674,300</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

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

1 CORPORATE INFORMATION

Aditya Birla Sun Life Asset Management Company Pte. Ltd. is a private company limited by shares, incorporated and domiciled in the Republic of Singapore with its registered office at One Marina Boulevard #28-00, Singapore 018989 and the principal place of business at 16 Raffles Quay #32-04, Hong Leong Building, Singapore 048581.

The principal activities of the Company are that of fund management and investment advisory. There have been no significant changes in the nature of these activities during the financial year.

The ultimate holding corporation is Aditya Birla Financial Services Limited, a company incorporated in the Republic of India, and the immediate holding corporation is Birla Sun Life Asset Management Company Limited, a company incorporated in the Republic of India. Related corporations in the financial statements refer to companies within Birla Sun Life Asset Management Company Limited group.

The financial statements of the Company for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Directors on 26 April 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis Of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in Singapore Dollar (SGD or S\$) are prepared based on the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 19.

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

The adoption of the above FRSs did not result in substantial changes to the Company's accounting policies.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.1 Basis Of Preparation - cont'd

The Company has not applied any new standard or interpretation that has been issued but is not yet effective. The new standards that have been issued and not yet effective do not have any impact on the results of current or prior years.

2.2 Plant And Equipment

2.2.1 *Measurement*

Items of plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

2.2.2 *Components Of Costs*

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.2.3 *Depreciation*

Depreciation is provided on the straight-line basis so as to write off the cost of plant and equipment over their estimated useful lives as follows:

	Years
Office equipment,	5
Computer	3
Furniture and fittings	5
Leasehold improvements	4

The useful lives of plant and equipment are reviewed and adjusted as appropriate at each statement of financial position date.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.2.4 *Subsequent Expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in the Statement of comprehensive income during the financial year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Plant And Equipment - cont'd

2.2.5 *Disposal*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.

2.3 Impairment Of Non-Financial Assets

2.3.1 *Plant And Equipment*

Plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.4 Financial Assets

2.4.1 *Initial Recognition and Measurement*

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured as fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4 Financial Assets - cont'd

2.4.2 *Subsequent Measurement*

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4 Financial Assets - cont'd

2.4.2 *Subsequent Measurement* - cont'd

(iii) Available-for-sale financial assets

Available for-sale financial assets include equity and debts securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.4.3 *Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5 Impairment of Financial Assets

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

2.5.1 Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has 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. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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 incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5 Impairment of Financial Assets - cont'd

2.5.2 *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.

2.5.3 *Available-For-Sale Financial Assets*

In the case of equity investments classified as available-for-sale, objective evidence of impairment include

- (i) significant financial difficulty of the issuer or obligor,
- (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and
- (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6 Financial Liabilities

2.6.1 *Initial Recognition and Measurement*

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

2.6.2 *Subsequent Measurement*

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

2.6.3 *Derecognition*

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7 Foreign Currency

2.7.1 *Functional And Presentation Currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

2.7.2 *Foreign Currencies Transactions*

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Singapore Dollar at the exchange rates ruling at the statement of financial position date. Exchange gains and losses are dealt with in the Statement of comprehensive income.

2.8 Related Parties

A related party is defined as follows:

(a) *A person or a close member of that person's family is related to the Company if that person:*

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) *An entity is related to the Company if any of the following conditions applies:*

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

2.10 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Company for similar financial instruments.

2.11 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.

2.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.12 Provisions - cont'd

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.13 Leases

2.13.1 *Operating Leases*

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.14 Finance Costs

Interest expense and similar charges are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of comprehensive income using the effective interest rate method.

2.15 Interest-Bearing Loans And Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

2.16 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive incomes as follows:

2.16.1 *Servicing Income*

Income from management of investments and provision of advisory services are recognised as revenue as the services are provided.

2.16.2 *Interest Income*

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.17 Employee Benefits

2.17.1 Defined Contribution Pension Costs

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Company's contribution to defined contribution plans are recognised in the financial year to which they relate.

2.17.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to statement of financial position date.

2.17.3 Retirement Benefit Costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Fund, are dealt with as payments to defined contribution plans where the obligations under the plans are equivalent to those arising in a defined contribution plan.

2.18 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax assets/liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date; and

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.18 Income Taxes - cont'd

- (ii) the tax consequence that would follow from the manner in which the Company expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the period, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax on temporary differences arising from the revaluation gains and losses on land and buildings, fair value gains and losses on available-for-sale financial assets and cash flow hedges, and the liability component of convertible debts are charged or credited directly to equity in the same period the temporary differences arise. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

Jobs credit grants, which are government grants given to match staff and business costs, are recognised in the month of payment only as certain conditions have to be fulfilled before payment.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

3 PLANT AND EQUIPMENT

2016	Office equipment S\$	Computer S\$	Furniture and fittings S\$	Leasehold improvements S\$	Total S\$
Cost					
At beginning of year	15,105	79,617	5,509	89,018	189,249
Additions	3,960	9,186	18,802	32,657	64,605
Reclassification	2,214	-	8,344	(10,558)	-
Disposals	(408)	(2,568)	(200)	-	(3,176)
At end of year	<u>20,871</u>	<u>86,235</u>	<u>32,455</u>	<u>111,117</u>	<u>250,678</u>
Accumulated Depreciation					
At beginning of year	14,003	78,986	5,336	18,741	117,066
Depreciation	1,091	2,373	3,209	29,886	36,559
Disposals	(115)	(2,568)	(57)	-	(2,740)
At end of year	<u>14,979</u>	<u>78,791</u>	<u>8,488</u>	<u>48,627</u>	<u>150,885</u>
Carrying Amount					
At end of year	<u>5,892</u>	<u>7,444</u>	<u>23,967</u>	<u>62,490</u>	<u>99,793</u>
2015					
Cost					
At beginning of year	13,839	79,617	5,309	205,778	304,543
Additions	1,266	-	200	89,018	90,484
Disposals	-	-	-	(205,778)	(205,778)
At end of year	<u>15,105</u>	<u>79,617</u>	<u>5,509</u>	<u>89,018</u>	<u>189,249</u>
Accumulated Depreciation					
At beginning of year	13,839	78,565	5,309	205,778	303,491
Depreciation	164	421	27	18,741	19,353
Disposals	-	-	-	(205,778)	(205,778)
At end of year	<u>14,003</u>	<u>78,986</u>	<u>5,336</u>	<u>18,741</u>	<u>117,066</u>
Carrying Amount					
At end of year	<u>1,102</u>	<u>631</u>	<u>173</u>	<u>70,277</u>	<u>72,183</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

4 AVAILABLE-FOR-SALE INVESTMENT

This relates to an Investment of US\$0.01 in International Opportunities Fund made by the Company in November 2013. International Opportunities Fund SPC (IOF) is a Segregated Portfolio Company set up as a fund in Cayman Islands. In terms of constitution and private placement memorandum, IOF has various segregated portfolio which issue redeemable participating shares. Each Segregated Portfolio of participating shares has its own Balance Sheet and Profit and Loss account.

The Profit / Loss of each such Portfolio belongs to the participating shareholders of that segregated portfolio. Aditya Birla Sun Life Asset Management Company Limited (ABSLAMC) owns 100% of the management share and management shareholder is not entitled to any beneficial interest in the profit / loss of various segregated portfolios nor is required to make good any shortfall. In substance there are no direct or indirect economic benefits received by the management shareholders. The substance over form must prevail. Accordingly, the Company has not consolidated IOF in the financial statement.

5 TRADE AND OTHER RECEIVABLES

	2016 S\$	2015 S\$
Trade receivables - outside parties (Note 6)	-	263,853
Unbilled revenue	772,410	851,913
Other receivables (Note 7)	169,593	152,289
	<u>942,003</u>	<u>1,268,055</u>

The carrying amounts of trade and other receivables approximate their fair values and are denominated in the following currencies:

	2016 S\$	2015 S\$
Singapore Dollar	814,220	1,161,997
United States Dollar	124,371	106,058
Indian Rupee	3,412	-
	<u>942,003</u>	<u>1,268,055</u>

6 TRADE RECEIVABLES

	2016 S\$	2015 S\$
Trade receivables	<u>-</u>	<u>263,853</u>

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The maximum exposure of credit risk for trade receivables at the reporting date is S\$NIL (2015: S\$263,853).

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

6 TRADE RECEIVABLES - cont'd

The aging of trade receivables at the reporting date is:

	Gross 2016 S\$	Impairment losses 2016 S\$	Gross 2015 S\$	Impairment losses 2015 S\$
Past due 0 - 30 days	-	-	170,590	-
Past due 31 - 120 days	-	-	93,263	-
	<u>-</u>	<u>-</u>	<u>263,853</u>	<u>-</u>

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables past due up to 120 days. These receivables are mainly arising by customers that have good record with the Company.

7 OTHER RECEIVABLES

	2016 S\$	2015 S\$
Deposits	26,732	35,732
Prepayments	142,861	116,557
	<u>169,593</u>	<u>152,289</u>

Deposits comprise mainly rental deposits for office premise and accommodation for the directors of the Company.

8 CASH AND CASH EQUIVALENTS

	2016 S\$	2015 S\$
Cash and cash equivalents	<u>1,243,546</u>	<u>674,300</u>

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2016 S\$	2015 S\$
Singapore Dollar	1,242,725	673,321
Others	821	979
	<u>1,243,546</u>	<u>674,300</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

9 TRADE AND OTHER PAYABLES

	2016 S\$	2015 S\$
Ultimate holding company		
Trade payables	-	3,278
Accrued operating expense – unbilled	93,692	117,979
	<u>93,692</u>	<u>121,257</u>
Related party		
Trade payables	-	2,162
Accrued operating expense – unbilled	81,118	88,555
	<u>81,118</u>	<u>90,717</u>
Other payables	97,058	81,035
Accrued operating expenses - others	188,710	140,225
Provisions (Note 10)	866,922	907,462
	<u>1,327,500</u>	<u>1,340,696</u>

These amounts are non-interest bearing. Trade payables due to ultimate holding company and related parties are repayable on demand while other payables are unsecured and have a credit terms of 30 days (2015: 30 days).

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2016 S\$	2015 S\$
Singapore Dollar	1,222,529	1,269,393
United States Dollar	73,395	30,570
Indian Rupee	7,913	24,027
Euro	23,663	16,706
	<u>1,327,500</u>	<u>1,340,696</u>

10 PROVISIONS

	Provision for bonus S\$	Provision for restoration costs S\$	Total S\$
2016			
Balance at beginning of year	902,945	4,517	907,462
Provision made during the year	861,744	9,033	870,777
Provision utilised during the year	(895,696)	-	(895,696)
Provision written back during the year	(15,621)	-	(15,621)
Balance at end of year	<u>853,372</u>	<u>13,550</u>	<u>866,922</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

10 PROVISIONS - cont'd

	Provision for bonus	Provision for restoration costs	Total
2015	S\$	S\$	S\$
Balance at beginning of year	458,775	34,481	493,256
Provision made during the year	902,945	4,517	907,462
Provision utilised during the year	(403,330)	(33,987)	(437,317)
Provision written back during the year	(55,445)	(494)	(55,939)
Balance at end of year	<u>902,945</u>	<u>4,517</u>	<u>907,462</u>

The provision for bonus represents the management's best estimate of the bonus to be paid to the employees based on the Company's and individual's performance during the current financial year.

The provision for restoration costs are the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of plant and equipment.

11 SHARE CAPITAL

	2016		2015	
	No of shares	S\$	No of shares	S\$
Ordinary shares issued and fully paid				
At beginning of year	10,200,000	10,200,000	9,450,000	9,450,000
Issued during the year	<u>1,700,000</u>	<u>1,700,000</u>	<u>750,000</u>	<u>750,000</u>
At end of year	<u>11,900,000</u>	<u>11,900,000</u>	<u>10,200,000</u>	<u>10,200,000</u>

The Company has one class of ordinary shares which carries no right of fixed income. The holder of ordinary shares is entitled to receive dividends as declared from time to time by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

On 14 September 2015 and 10 March 2016 the Company issued 700,000 and 1,000,000 ordinary shares to its holding company for cash at S\$700,000 and S\$1,000,000 for working capital purposes respectively.

12 REVENUE

	2016 S\$	2015 S\$
Management fee income	2,962,529	3,466,886
Sub-management fee income	203,248	-
Advisory fee income	31,796	36,787
Marketing fee income	442,393	-
Other service income	<u>4,879</u>	<u>1,269</u>
	<u>3,644,845</u>	<u>3,504,942</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

13 STAFF COSTS

	2016	2015
	S\$	S\$
Staff costs		
Salaries, bonus and other related costs	2,123,484	2,068,992
Defined contribution pension costs	51,807	30,817
Other benefits*	<u>157,272</u>	<u>142,002</u>
	<u><u>2,332,563</u></u>	<u><u>2,241,811</u></u>

The above includes key management personnel remuneration as disclosed in Note 17.

* Includes operating lease expense on staff accommodation and housing allowance amounting to S\$112,000 (2015: S\$87,102) for the directors.

14 OTHER EXPENSES

Other expenses include:

	2016	2015
	S\$	S\$
Database research expenses	152,253	131,663
Insurance expenses	77,290	56,543
Telecommunication expenses	<u>56,478</u>	<u>41,908</u>

15 TAXATION

Major components of income tax expense are as follows:

	2016	2015
	S\$	S\$
Current year taxation	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

15 TAXATION - cont'd

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	2016 S\$	2015 S\$
Loss before taxation	<u>(1,416,000)</u>	<u>(1,151,625)</u>
Income tax on loss before tax at 17%	(240,720)	(195,776)
Adjustments:		
Non-deductible expenses	185,278	95,469
Unutilised capital allowance	-	-
Unutilised tax losses	55,442	100,307
Others	<u>-</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>

Unrecognised deferred tax assets:

Deferred tax assets in respect of the following items have not been recognised in the financial statements as the probability of future taxable profits being available to utilise such benefits cannot be reliably established:

	2016 S\$	2015 S\$
Differences in tax written down value and net book value of plant and equipment	87,606	81,317
Unutilised tax losses	1,117,628	1,062,186
Others	16,783	16,783
	<u>1,222,017</u>	<u>1,160,286</u>

The company's unutilised capital allowances and tax losses are available for offset against future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the Singapore Income Tax Act, Cap.134.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

16 OPERATING LEASE COMMITMENTS

Rental expenses (principally for offices and accommodation provided to director) for the year ended 31 March 2016 are S\$222,732 (2015: S\$246,798). Future minimum rental under non-cancellable leases as at 31 March are as follows:

	2016 S\$	2015 S\$
Within 1 year	110,732	131,732
After 1 year but within 5 years	55,366	166,098
	<u>166,098</u>	<u>297,830</u>

The leases generally run for 2 to 3 years.

17 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related parties transactions on terms agreed between the Company and its related parties are as follows:

	2016 S\$	2015 S\$
Advisory fee paid and payable to ultimate holding company	<u>414,412</u>	<u>615,696</u>
Referral fee charged and chargeable by related parties	<u>326,231</u>	<u>389,881</u>

Balances with related parties at the statement of financial position date are set out in Note 9.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Company's key management personnel are mainly the Directors of the Company.

Key management personnel compensation for the financial year is as follows:

	2016 S\$	2015 S\$
Directors		
Fees	20,795	19,356
Remunerations	880,522	571,017
	<u>901,317</u>	<u>590,373</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

18 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and financial liabilities:

	2016	2015
	S\$	S\$
Financial assets		
Loans and receivables:		
Trade and other receivables	26,732	299,585
Cash and cash equivalents	1,243,546	674,300
	<u>1,270,278</u>	<u>973,885</u>
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	460,578	433,234
	<u>460,578</u>	<u>433,234</u>

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, and interest rate and liquidity risks. The policies of managing each of these risks are summarised below:

Credit Risk

The credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. The Company's customer portfolio is diversified and there is no reliance on any customer. These exposures are monitored and provision for potential credit losses is adjusted when necessary. The aggregate amount of its trade and other receivables and bank balance represents the Company maximum exposure to credit risk.

Cash and bank balances are placed with reputable local financial institutions. Therefore, credit risk arises mainly from the inability of the Company's customers to make payments when due. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

Information regarding financial assets that are either past due or impaired is disclosed in Note 6 (Trade Receivables).

Foreign Currency Risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company relies on natural hedges of matching foreign currency denominated assets and liabilities. Consistent effort has also been employed by the company to keep track of exchange rate fluctuations such that funds are converted at favourable exchange rates.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

18 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Foreign Currency Risk - cont'd

The Company's exposure to foreign currency is as follows:

	United States Dollar S\$	India Rupee S\$	Euro S\$
2016			
Trade and other receivables	124,371	3,412	-
Trade and other payables	(73,395)	(7,913)	(23,663)
	<u>50,976</u>	<u>(4,501)</u>	<u>(23,663)</u>
2015			
Trade and other receivables	106,058	-	-
Trade and other payables	(30,570)	(24,027)	(16,706)
	<u>75,488</u>	<u>(24,027)</u>	<u>(16,706)</u>

Sensitivity analysis

A 5% strengthening of Singapore Dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Statement of Comprehensive Income S\$
2016	
United States Dollar	(2,549)
India Rupee	225
Euro	1,183
	<u>(1,141)</u>
2015	
United States Dollar	(3,774)
India Rupee	1,201
Euro	835
	<u>(1,738)</u>

A 5% weakening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

18 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Sensitivity analysis

An increase or decrease in 100 basis point ("bp") (1%) in interest rate at the reporting date would have no significant effect on equity and profit or loss (before tax). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

2016	Within 1 year S\$	Within 2 to 5 years S\$	More than 5 years S\$	Total S\$
Financial Assets				
Trade and other receivables	26,732	-	-	26,732
Cash and cash equivalents	1,243,546	-	-	1,243,546
Total undiscounted financial assets	<u>1,270,278</u>	<u>-</u>	<u>-</u>	<u>1,270,278</u>
Financial liabilities				
Trade and other payables	460,578	-	-	460,578
Total undiscounted financial liabilities	<u>460,578</u>	<u>-</u>	<u>-</u>	<u>460,578</u>
Total net undiscounted financial assets	<u>809,700</u>	<u>-</u>	<u>-</u>	<u>809,700</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

18 FINANCIAL INSTRUMENTS – cont'd

Financial Risk Management Objectives and Policies - cont'd

Liquidity Risk - cont'd

2015	Within 1 year S\$	Within 2 to 5 years S\$	More than 5 years S\$	Total S\$
Financial Assets				
Trade and other receivables	299,585	-	-	299,585
Cash and cash equivalents	674,300	-	-	674,300
Total undiscounted financial assets	<u>973,885</u>	<u>-</u>	<u>-</u>	<u>973,885</u>
Financial liabilities				
Trade and other payables	433,234	-	-	433,234
Total undiscounted financial liabilities	<u>433,234</u>	<u>-</u>	<u>-</u>	<u>433,234</u>
Total net undiscounted financial assets	<u>540,651</u>	<u>-</u>	<u>-</u>	<u>540,651</u>

Fair Value of Financial Instruments

As at the end of the financial year, the Company has no financial assets or financial liabilities that are carried at fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to their short term nature.

19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT - cont'd

Allowance for Doubtful Debts

Allowance for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The indication of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimates has been changed.

Estimated Useful Life for Plant and Equipment

Estimated useful life for plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Depreciation of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant and equipment to be within 3 to 5 years. The carrying amount of the Company's plant and equipment as at 31 March 2016 is S\$99,793 (2015: S\$72,183). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

Impairment of Investment and Financial Assets

The Company follows the guidance of FRS 36 and FRS 39 in determining when an investment or financial assets is other-than-temporary impaired. This assessment requires significant judgement. The Company evaluates, among other factors, the duration and extent to which the fair value of an investment or financial asset is less than its cost; and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Provision for Income Taxes

The Company has exposure to income taxes of which a portion of this tax arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of current income tax payable and deferred tax liabilities as at 31 March 2016 were Nil (2015: Nil). The Company has unrecognized deferred tax assets as at 31 March 2016 of S\$1,222,017 (2015: S\$1,160,286)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2016

19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT - cont'd

Provisions

The Company recognizes provisions when it has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. The carrying amount of provisions as at 31 March 2016 was S\$866,922 (2015: S\$907,462)

20 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximize shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2016 and 31 March 2015.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspects. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2016 S\$	2015 S\$
Net debts	83,954	666,396
Total equity	957,842	673,842
Total capital	<u>1,041,796</u>	<u>1,340,238</u>
Gearing ratio	<u>0.08</u>	<u>0.50</u>

The Company is required to maintain a minimum net worth of S\$ 250,000 under the securities and Futures (Financial and Margin Requirements for Holders of Capital Market Services Licenses) Regulations issued by the Monetary Authority of Singapore. In addition, the Company is required, at all times, to maintain a base capital of not less than 120% of its total risk requirement (Operational Risk Requirement).The company is in compliance with these requirements for the Financial Year ended 31 March 2016

Other than the above, the Company does not have any externally imposed capital requirements for the financial year ended 31 March 2016 and 31 March 2015

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LTD.

(Incorporated in the Republic of Singapore)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2016
	S\$
Revenue	
Management fee income	2,962,529
Sub-management fee income	203,248
Advisory fee income	31,796
Marketing fee income	442,393
Other income	4,879
Total revenue	<u>3,644,845</u>
Less: items of expenses	
Depreciation	<u>36,559</u>
Fund expenses	<u>1,061,013</u>
Office rental	<u>110,732</u>
Staff costs	<u>2,332,563</u>
Legal and professional fees	
Accounting fees	11,695
Advisory fees	414,412
Audit fees	35,466
Professional fees	144,343
Referral fees	326,231
Secretarial and filing fees	10,793
	<u>942,940</u>
Travelling expenses	<u>99,468</u>
Other expenses	
Advertisement	2,240
Bank charges	5,425
Computer consumable	257
Conference and meetings	2,972
Database research expenses	152,253
Entertainment expenses	32,236
Fixed asset written off	436
Foreign exchange gain	20,990
Gifts	17,139
Insurance expenses	77,290
Internet expenses	11,202
MAS registration and license expenses	7,850
Membership and subscription expenses	13,894
Miscellaneous expenses	2,671
Newspaper and periodicals	888
Office expenses	1,422
Balance c/f	<u>349,165</u>

This schedule does not form part of these statutory audited financial statements

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY PTE. LTD.

(Incorporated in the Republic of Singapore)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	2016
	S\$
Other expenses - cont'd	
Balance b/f	349,165
Office refreshments	1,435
Office upkeep and maintenance	29,682
Postage and courier	5,884
Printing and stationery	6,048
Reinstatement expenses	9,033
Telecommunication expenses	56,478
Training and development	2,809
Transport	12,515
Utilities	4,521
	<u>477,570</u>
Total items of expenses	<u>(5,060,845)</u>
Loss before taxation	<u>(1,416,000)</u>

This schedule does not form part of these statutory audited financial statements

