



**IIML FUND MANAGERS
(SINGAPORE) PTE. LTD.
(Registration No. 201135429E)**

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED
MARCH 31, 2017**

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial year ended March 31, 2017.

In the opinion of the directors, the financial statements of the Company set out on pages 6 to 21 are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

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

Manoj Yeshwant Borkar
Nitin Gupta

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND 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 in the Company or any other body corporate, except for the options mentioned in paragraph 3 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

Name of directors and company in which interests are held	Shareholdings registered in the name of the director	
	At beginning of year	At end of year
Parent company <u>- IL&FS Investment Managers Limited</u>		<u>Shares of INR2 each</u>
Manoj Yeshwant Borkar	946,995	946,995

4 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

DIRECTORS' STATEMENT

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company was granted.

(b) Options exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under options.


.....
Nitin Gupta


.....
Manoj Yeshwant Borkar

Date: May 09, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IIML Fund Managers (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 21.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report therein.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors 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 Act and FRSS, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
IIML FUND MANAGERS (SINGAPORE) PTE. LTD.**

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.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

May 9, 2017

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

STATEMENT OF FINANCIAL POSITION
March 31, 2017

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	6	515,171	287,254
Trade and other receivables	7	19,513	66,323
Total current assets		<u>534,684</u>	<u>353,577</u>
Total assets		<u>534,684</u>	<u>353,577</u>
<u>LIABILITY AND EQUITY</u>			
Current liability			
Other payables and accruals	8	<u>112,544</u>	<u>53,963</u>
Capital and reserves			
Share capital	9	1,950,000	1,450,000
Accumulated losses		<u>(1,527,860)</u>	<u>(1,150,386)</u>
Total equity		<u>422,140</u>	<u>299,614</u>
Total liability and equity		<u>534,684</u>	<u>353,577</u>

See accompanying notes to financial statements

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Financial year ended March 31, 2017

	<u>Note</u>	<u>2017</u> US\$	<u>2016</u> US\$
Revenue	10	321,857	438,408
Staff costs		(299,216)	(285,971)
Other operating expenses	11	<u>(400,115)</u>	<u>(322,923)</u>
Loss before income tax		(377,474)	(170,486)
Income tax expense	12	<u>-</u>	<u>-</u>
Loss for the year, representing total comprehensive loss for the year		<u>(377,474)</u>	<u>(170,486)</u>

See accompanying notes to financial statements

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.**STATEMENT OF CHANGES IN EQUITY**
Financial year ended March 31, 2017

	Note	Share capital \$	Accumulated losses \$	Total \$
Balance as at April 1, 2015		1,450,000	(979,900)	470,100
Loss for the year, representing total comprehensive loss for the year		-	(170,486)	(170,486)
Balance as at March 31, 2016		1,450,000	(1,150,386)	299,614
Loss for the year, representing total comprehensive loss for the year		-	(377,474)	(377,474)
Issue of share capital	9	500,000	-	500,000
Balance as at March 31, 2017		1,950,000	(1,527,860)	(422,140)

See accompanying notes to financial statements

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

STATEMENT OF CASH FLOWS
Financial year ended March 31, 2017

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Operating activities		
Loss before income tax, representing operating cash flows before movements in working capital	(377,474)	(170,486)
Trade and other receivables	46,810	246,830
Other payables and accruals	<u>58,581</u>	<u>(6,398)</u>
Net cash (used in) from operating activities	<u>(272,083)</u>	<u>69,946</u>
Financial activity		
Issue of share capital, representing net cash from financing activity	<u>500,000</u>	-
Net increase in cash and cash equivalents	227,917	69,946
Cash and cash equivalents at beginning of the year	<u>287,254</u>	<u>217,308</u>
Cash and cash equivalents at end of the year	<u>515,171</u>	<u>287,254</u>

See accompanying notes to financial statements

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1 GENERAL

The Company (Registration No. 201135429E) is incorporated in the Republic of Singapore with its registered office and principal place of business at 1 Marina Boulevard, #28-00, Singapore 018989. The financial statements are expressed in United States dollars.

The principal activity of the Company is that of fund management and advisory services.

The financial statements of the Company for the financial year ended March 31, 2017 were authorised for issue by the Board of Directors on May 9, 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial statements of the Company is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2016, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. 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.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

At the date of authorisation of these financial statements, the following new/revised FRSs that are relevant to the Company were issued but not effective:

- FRS 109 *Financial Instruments* ⁽¹⁾
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)* ⁽¹⁾
- FRS 116 *Leases* ⁽²⁾

⁽¹⁾ *Applies to annual periods beginning on or after January 1, 2018, with early application permitted.*

⁽²⁾ *Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted.*

Management is currently evaluating the impact of the adoption of the above FRSs and amendments to FRS in the period of initial application and based on an initial assessment, management anticipates that the adoption of the above FRSs, and amendments to FRS in future period will not have a material impact on the financial statements of the Company in the period of their initial adoption.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest method, except for short-term balances when the recognition of interest would be immaterial.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period granted, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other payables and accruals

Other payables and accruals are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

LEASES - Rentals payments under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) 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 recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Advisory fees

Advisory fees are recognised when the relevant advisory services are rendered and the Company's rights to receive payment has been established.

Fees that are not earned in the financial year are recognised as deferred income.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements are presented in United States Dollars, which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on translation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits that are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Company's accounting policies

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

Key sources of estimation uncertainty

The management is of the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2017	2016
	US\$	US\$
Financial assets		
Loans and receivables (including cash and cash equivalents)	515,171	344,936
	<u>2017</u>	<u>2016</u>
	US\$	US\$
Financial liabilities		
Amortised cost	112,544	53,963

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

The Company does not have any financial assets/liabilities that are subject to offsetting or master netting agreements or similar arrangements.

(b) Financial risk management policies and objectives

The main areas of financial risk faced by the Company are foreign exchange risk, liquidity risk and credit risk.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measure the risk.

(i) *Foreign exchange risk*

The Company's foreign currency exposures arise mainly from the exchange rate movements of the United States dollar against the Company's assets and liabilities denominated in foreign currencies.

The Company does not expect a material impact on the Company's profit or loss arising from the effects of reasonable possible changes to foreign exchange rates at the end of the reporting period.

(ii) *Liquidity risk*

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company manages its liquidity by matching and controlled mismatching of the maturities of its financial assets and financial liabilities. The Company is primarily funded by capital injection from its parent company and funds from operations.

All financial assets and financial liabilities in 2017 and 2016 are repayable on demand or due within one year from the end of reporting period.

(iii) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

The Company has no significant concentration of credit risk, except for its cash balances which are all maintained with reputable financial institutions and trade related dues from its related company. The Company considers the risk to be acceptable as the counterparties are considered credit worthy.

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

(iv) *Fair values of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other receivables and other payables that are stated at amortised cost approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The Company does not have financial instruments measured at fair value on a recurring basis.

(c) Capital management policies and objectives

The Company reviews its capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of the company comprises only of issued share capital net of accumulated losses. The Company's overall strategy remained unchanged from 2016.

The Company is required to maintain a minimum amount of capital as prescribed under the Securities and Futures Act (Chapter 289) and relevant regulations. The Company is in compliance with the capital requirements for the year ended 2017 and 2016.

5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a subsidiary of IL&FS Investment Managers Limited, incorporated in India. The Company's ultimate holding company is Infrastructure Leasing & Financial Services Limited, incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the period, the Company entered into the following transactions with a related company:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Advisory fees (Note 10)	<u>291,857</u>	<u>378,408</u>

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Short-term benefits	<u>216,935</u>	<u>218,334</u>

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
March 31, 2017****6 CASH AND CASH EQUIVALENTS**

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Cash at bank	<u>515,171</u>	<u>287,254</u>

The Company's cash and bank balances that are not denominated in the functional currency are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore dollars	<u>75,126</u>	<u>63,072</u>

7 TRADE AND OTHER RECEIVABLES

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Trade receivables - Third parties	-	-
Trade receivables - Related company	-	<u>49,408</u>
	-	49,408
Prepayments	19,513	8,641
Rent deposits	-	<u>8,274</u>
Total	<u>19,513</u>	<u>66,323</u>

The average credit period is 30 days (2016 : 30 days). At reporting date, there were no receivables which were past due. Management is of the view that based on past credit experience, no allowance for doubtful debt is required.

8 OTHER PAYABLES AND ACCRUALS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Accruals and other payables	<u>112,544</u>	<u>53,963</u>

The Company's other payables and accruals that are not denominated in the functional currency are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Singapore dollars	<u>33,159</u>	<u>38,667</u>

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS
March 31, 2017**

9 SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		US\$	US\$
Issued and fully paid:				
At beginning of the year	145,000	145,000	1,450,000	1,450,000
Issued during the year	50,000	-	500,000	-
At the end of the year	<u>195,000</u>	<u>145,000</u>	<u>1,950,000</u>	<u>1,450,000</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

10 REVENUE

	2017	2016
	US\$	US\$
<u>Advisory fees:</u>		
From related company (Note 5)	291,857	378,408
From third parties	<u>30,000</u>	<u>60,000</u>
	<u>321,857</u>	<u>438,408</u>

11 OTHER OPERATING EXPENSES

	2017	2016
	US\$	US\$
Administrative expenses	15,623	12,096
Fund raising expenses	277,606	211,161
Professional fees	60,407	51,951
Office rental	40,769	40,317
Travel and accommodation	-	4,567
Foreign exchange loss	5,073	1,815
Others	637	1,016
Total	<u>400,115</u>	<u>322,923</u>

12 INCOME TAX

	2017	2016
	US\$	US\$
Current income tax expense	<u>-</u>	<u>-</u>

IIML FUND MANAGERS (SINGAPORE) PTE. LTD.**NOTES TO FINANCIAL STATEMENTS****March 31, 2017**

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit for the year. The total charge for the year can be reconciled to accounting loss as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Loss before income tax	(377,474)	(170,486)
Income tax benefit calculated at 17%	(64,171)	(28,983)
Effect of deferred tax benefits not recognised	<u>64,171</u>	<u>28,983</u>
Income tax expense recognised in profit or loss	<u>-</u>	<u>-</u>

The Company has tax losses carry forwards available for offsetting against future taxable income as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Amount at the beginning of year	1,031,696	861,210
Addition during the year	<u>377,474</u>	<u>170,486</u>
Amount at end the of year	<u>1,409,170</u>	<u>1,031,696</u>

Deferred tax assets on the tax losses available for offsetting against future taxable income have not been recognised due to the unpredictability of future profit streams.

13 OPERATING LEASE COMMITMENTS

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Minimum lease payment recognised as an expense during the period	<u>40,769</u>	<u>40,317</u>

Future minimum lease payments under operating leases are as follows:

	<u>2017</u>	<u>2016</u>
	US\$	US\$
Within one year	<u>20,610</u>	<u>41,417</u>

Operating lease payments represent rental payable by the Company for its office premises. Leases are negotiated for an average of one year and rentals are fixed for an average of one year.