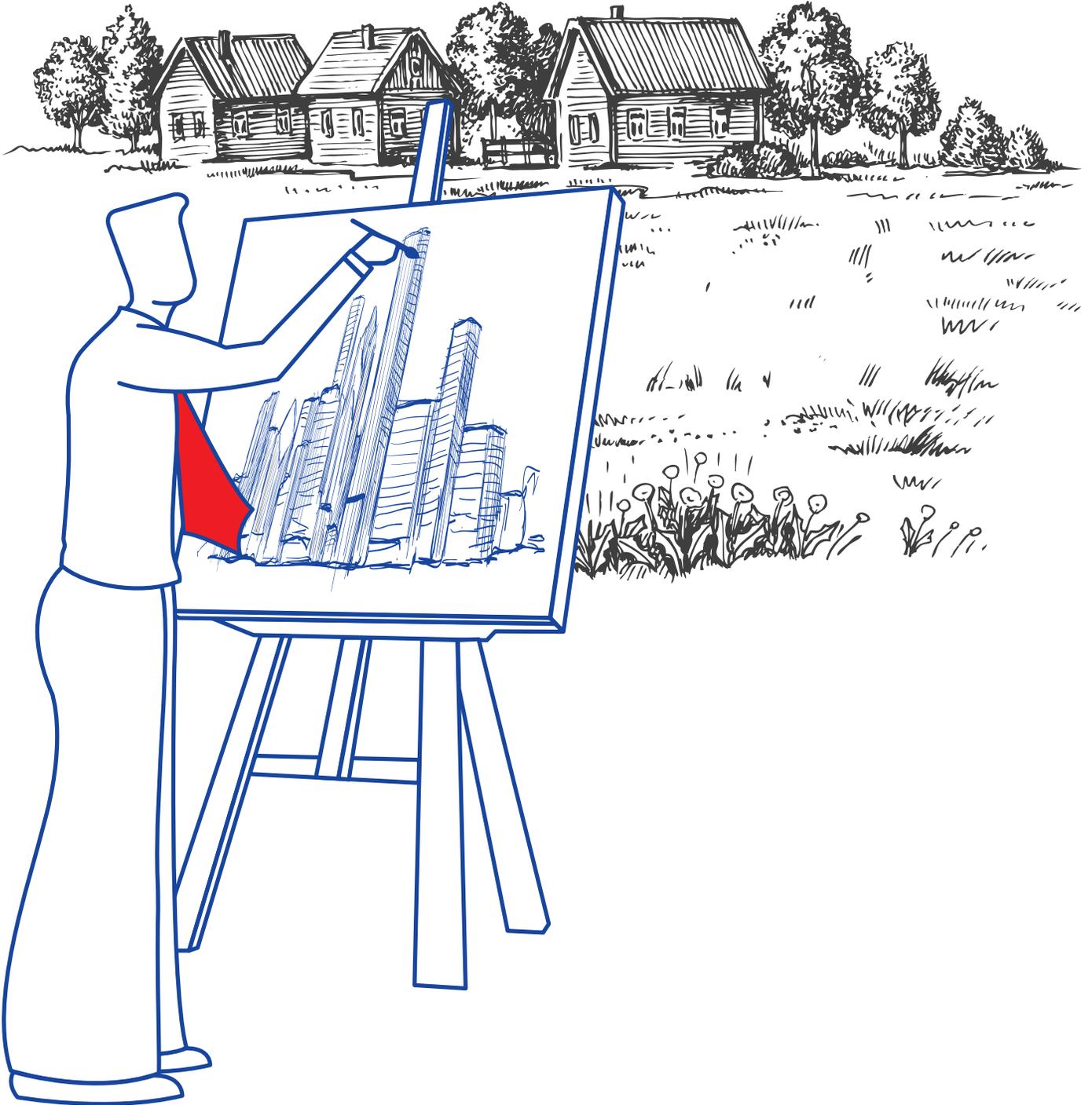


# **Towards Tomorrow**

**Expertise. Experience. Excellence.**





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Vishal Nimesh Kampani  
Mr. Ravi Rajgopal (Appointed w.e.f. July 20, 2016)  
Mr. Prakash Chellam

### COMPANY SECRETARY

KW Corporate Advisory Pte Ltd  
80 Raffles Place  
#25-01 UOB Plaza  
Singapore 048624

### AUDITORS

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
Unique Entity No T08LL0721A  
6 Shenton Way, OUE Downtown 2  
#33-00  
Singapore 068809

### BANKERS

Standard Chartered Bank (Singapore) Limited  
6 Battery Road  
Singapore 049909

### REGISTERED OFFICE

80 Raffles Place  
#25-01 UOB Plaza  
Singapore 048624

### PLACE OF BUSINESS

30 Cecil Street  
#21-01/02 Prudential Tower  
Singapore 049712

### ***The red tie man,***

*is characterised as a visionary painter who can foresee the progress in the future. Despite the simple dwellings, he paints skyscrapers recognising the opportunities offered in the market just like the Company does. Moreover, the painting signifies the confidence and ability of JM Financial to make the most of the market opportunities with its expertise, experience and excellence. The Company is viewed as a trusted partner and advisor that consistently adds stakeholder value, just like the painting aims to do in sharp contrast to the actual settings.*

# DIRECTORS' STATEMENT

To the Member,  
JM Financial Singapore Pte Ltd

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 as set out on pages 5 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:

Mr. Vishal Nimesh Kampani

Mr. Ravi Rajgopal (Appointed w.e.f. July 20, 2016)

Mr. Prakash Chellam

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE 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 to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors 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 companies in which interests are held	Shareholdings registered in the name of the director	
	At beginning of financial year or date of appointment, if later	At end of financial year
JM Financial Limited (ultimate holding company)		
Vishal Nimesh Kampani	10,163,647 equity shares of face value INR 1/- each	10,263,647 equity shares of face value INR 1/- each
Prakash Chellam	120,000 equity shares of face value INR 1/- each	-

## 4. DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or became entitled to receive a benefit, by reason of a contract made by the Company or a related corporation with the director or within a firm of which he is a member, or with a Company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain director(s) received remuneration from related corporation(s) in their capacity as directors and/or executives of those related corporation(s).

## 5. BUSINESS PERFORMANCE

During the year, the Company had its best revenue year till date, with high profitability. The Company further leveraged on its expertise of executing complex deals. The Company advised Geometric Software Ltd on a 3 way transaction which involved divestment of its business to HCL Technologies Ltd and its interest in 3DPLM to Dassault Systems. The Company also advised 3DPLM on its listing of redeemable preference shares.

## 6. SHARE OPTIONS

### (a) Options to take up unissued shares

During the financial year, no option 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.

## 7. AUDITORS

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

## 8. ACKNOWLEDGEMENTS

The directors wish to express their appreciation for the support and co-operation extended by the Monetary Authority of Singapore, Accounting and Corporate Regulatory Authority, the Company's clients and its stakeholders. The directors also take this opportunity to place on record their appreciation for the contribution and hard work of the employees across all levels.

ON BEHALF OF THE DIRECTORS

Sd/-  
**Vishal Nimesh Kampani**  
Director  
April 24, 2017

Sd/-  
**Prakash Chellam**  
Director  
April 24, 2017

# INDEPENDENT AUDITOR'S REPORT

To the member of JM FINANCIAL SINGAPORE PTE LTD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of JM Financial 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 of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 21.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 of 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 thereon.

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.

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.

## INDEPENDENT AUDITOR'S REPORT

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.

### **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.

Sd/-  
Public Accountants and  
Chartered Accountants

Singapore  
April 24, 2017

# STATEMENT OF FINANCIAL POSITION

March 31, 2017

	Note	2017 Singapore Dollars	2016 Singapore Dollars
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	5,003,195	1,990,665
Due from intermediate holding company	5	155,608	154,886
Other receivables and prepayments	8	119,161	42,442
<b>Total current assets</b>		<b>5,277,964</b>	<b>2,187,993</b>
<b>Non-current assets</b>			
Deposits		198,512	198,512
Property, plant and equipment	9	58,892	82,177
<b>Total non-current assets</b>		<b>257,404</b>	<b>280,689</b>
<b>Total assets</b>		<b>5,535,368</b>	<b>2,468,682</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Provisions for compensated absence		40,549	43,043
Other payables	10	535,981	332,946
<b>Total current liabilities</b>		<b>576,530</b>	<b>375,989</b>
<b>Capital and reserves</b>			
Share capital	11	7,100,000	7,100,000
Accumulated losses		(2,141,162)	(5,007,307)
<b>Total equity</b>		<b>4,958,838</b>	<b>2,092,693</b>
<b>Total liabilities and equity</b>		<b>5,535,368</b>	<b>2,468,682</b>

See accompanying notes to financial statements.

# STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Year ended March 31, 2017

	Note	2017 Singapore Dollars	2016 Singapore Dollars
<b>Revenue</b>	12	6,393,880	2,135,794
<b>Expenses</b>			
Employee benefits expense	13	(1,535,965)	(1,847,272)
Depreciation expense	9	(30,805)	(34,184)
Other operating expenses	14	(1,422,385)	(876,596)
<b>Total expenses</b>		<b>(2,989,155)</b>	<b>(2,758,052)</b>
Other income	15	19,971	13,958
Profit/(Loss) before tax		3,424,696	(608,300)
Income tax expense	17	(558,551)	(85,442)
<b>Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year</b>		<b>2,866,145</b>	<b>(693,742)</b>

See accompanying notes to financial statements.

# STATEMENT OF CHANGES IN EQUITY

Year ended March 31, 2017

	Ordinary Share capital	Preference share capital	Accumulated losses	Total
	Singapore Dollars	Singapore Dollars	Singapore Dollars	Singapore Dollars
Balance at April 1, 2015	5,000,000	1,400,000	(4,313,565)	2,086,435
Issue of shares, representing transaction with equity holders (Note 11)	-	700,000	-	700,000
Total comprehensive loss for the year	-	-	(693,742)	(693,742)
Balance at March 31, 2016	5,000,000	2,100,000	(5,007,307)	2,092,693
Total comprehensive income for the year	-	-	2,866,145	2,866,145
<b>Balance at March 31, 2017</b>	<b>5,000,000</b>	<b>2,100,000</b>	<b>(2,141,162)</b>	<b>4,958,838</b>

See accompanying notes to financial statements.

# STATEMENT OF CASH FLOW

Year ended March 31, 2017

	2017 Singapore Dollars	2016 Singapore Dollars
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	3,424,696	(608,300)
Adjustments for:		
Interest income	(14,113)	(7,821)
Depreciation	30,805	34,184
Operating cash flow before movements in working capital	<b>3,441,388</b>	<b>(581,937)</b>
Due from intermediate holding company	(722)	72,737
Other receivables and prepayments	(76,719)	8,746
Other payables and provisions	200,541	48,370
Cash generated from/(used in) operations	<b>3,564,488</b>	<b>(452,084)</b>
Interest income received	14,113	7,821
Withholding tax paid	(558,551)	(85,442)
Net cash generated from/(used in) operating activities	<b>3,020,050</b>	<b>(529,705)</b>
Cash flow from investing activity		
Purchase of property, plant and equipment, representing net cash used in investing activity	(7,520)	(1,377)
Cash flow from financing activity		
Proceeds from issuance of preference share capital, representing net cash from financing activity	-	700,000
Net increase in cash and bank equivalents	<b>3,012,530</b>	<b>168,918</b>
Cash and cash equivalents at beginning of year	1,990,665	1,821,747
<b>Cash and cash equivalents at end of year (refer note 7)</b>	<b>5,003,195</b>	<b>1,990,665</b>

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## 1 GENERAL

The Company (Registration No. 201108824D) is incorporated in the Republic of Singapore with its principal place of business is 30 Cecil Street, #21-01/02 Prudential Tower, Singapore 049712 and registered office situated at 80 Raffles Place, #25-01 UOB Plaza, Singapore 048624.

The financial statements are expressed in Singapore dollars.

The principal activities of the Company are advising on corporate finance and financial advisory. It holds a capital markets services licence issued by the Monetary Authority of Singapore under the Securities and Futures Act, Cap. 289 to advise on corporate finance and financial advisory.

The financial statements of the Company for the year ended March 31, 2017 were authorised for issue by the board of directors on April 24, 2017.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis 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 if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for 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 adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs did 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.

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

- FRS 109 *Financial Instruments*<sup>1</sup>
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*<sup>2</sup>
- FRS 116 *Leases*<sup>3</sup>
- Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*<sup>1</sup>
- Amendments to FRS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses*<sup>1</sup>

<sup>1</sup> Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

<sup>2</sup> Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

# NOTES TO FINANCIAL STATEMENTS

March 31, 2017

- <sup>3</sup> Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

The management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption except for the following:

### FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 Financial Instruments: Recognition and Measurement and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

#### Key requirements of FRS 109:

- All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at fair value through profit or loss (FVTPL) at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

- With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL is presented in profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 39. Under FRS 109, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Management anticipates that the initial application of the new FRS 109 will result in changes to the accounting policies relating to financial instruments. Management will perform an assessment of the possible impact of implementing FRS 109. It is currently impracticable to disclose any further information on the known or reasonably estimable impact

# NOTES TO FINANCIAL STATEMENTS

March 31, 2017

to the Company's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

## FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1:** Identify the contract(s) with a customer.
- Step 2:** Identify the performance obligations in the contract.
- Step 3:** Determine the transaction price.
- Step 4:** Allocate the transaction price to the performance obligations in the contract.
- Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management anticipates that the initial application of the new FRS 115 will result in changes to the accounting policies relating to revenue. Management will perform an assessment of the possible impact of implementing FRS 115. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Company's financial statements in the period of initial application as the

management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

## FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipates that the initial application of the new FRS 116 will result in changes to the accounting policies relating to leases. Management will perform an assessment of the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Company's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 116.

**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 (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income

# NOTES TO FINANCIAL STATEMENTS

March 31, 2017

and expense is recognised on an effective interest basis for debt instruments other than those financial instruments “at fair value through profit or loss”.

## Financial assets

### Loans and receivables

Loans and receivables are composed of due from intermediate holding company, other receivables and cash and cash equivalents which are measured at fair value on initial recognition. Due from intermediate holding company, other receivables and other financial assets are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the recognition of interest would be immaterial.

### 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 investment have been impacted.

#### 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 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 assets is reduced by the impairment loss directly for all financial assets.

For financial assets measured at amortised cost, 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 through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 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 but 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.

## 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.

### Preference instruments

Preference shares are classified as equity if they are non-redeemable or redeemable at the option of the issuing Company and the dividend payments are discretionary. Dividends thereon are recognised as distributions to owners and presented in the statement of changes in equity.

# NOTES TO FINANCIAL STATEMENTS

March 31, 2017

## Other payables

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method except for short-term balances when the recognition of interest would be immaterial.

## Derecognition of financial liabilities

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

**LEASES** - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable 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.

**PROPERTY, PLANT AND EQUIPMENT** - Property, plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation on tangible fixed assets is provided, on pro-rata basis for the period of use, on the Straight Line Method ("SLM"), based on rates determined as per management's estimate of useful lives of the fixed assets. The estimated useful lives are as per the following table:

Assets	Useful lives
Leasehold improvements	10 years or lease period whichever is lower
Computers	3 years
Software	5 years
Servers and Networks	6 years
Furniture and fixtures	10 years
Office equipment	5 years

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

**IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the Company reviews the carrying amounts of these assets to determine whether there is any indication that these assets have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount

# NOTES TO FINANCIAL STATEMENTS

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that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**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 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 these 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 fee income is recognised by reference to the stage of completion of the service agreement.

Support service income is recognised upon rendering of services.

Dividend income on investments is accounted for when the Company's right to receive dividend is established and interest income is recognised on an accrual basis.

**RETIREMENT BENEFIT COSTS** - Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans and are charged as an expense as they fall due.

**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.

**INCOME TAX** - Income tax expense represents the sum of current 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 the 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 that 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 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, except when they relate to items

# NOTES TO FINANCIAL STATEMENTS

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credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

**FOREIGN CURRENCY TRANSACTIONS** - The financial statements of the Company are measured and presented in Singapore dollars which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. All exchange differences are recognised in profit or loss.

**CASH AND CASH EQUIVALENTS** - Cash and cash equivalents comprise cash on hand, bank balances and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**GOVERNMENT GRANTS/ASSISTANCE** - Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. The benefits of government grant are recognised as income in profit and loss.

## 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 Singapore Dollars	2016 Singapore Dollars
<b>Financial assets</b>		
Loans and receivables, including cash and cash equivalents	5,361,169	2,346,985
<b>Financial liabilities</b>		
At amortised cost	535,981	332,946

The Company does not have any financial instruments that are subject to offsetting or master netting arrangements and similar agreements.

## 3 CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Company's accounting policies, which are described in Note 2, the directors are 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 the on-going 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 directors are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

### Key sources of estimation uncertainty

The directors are 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.

# NOTES TO FINANCIAL STATEMENTS

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**b) Credit risk management**

The Company does not have any significant credit risk exposure as at the end of the reporting period except for cash and cash equivalents and due from intermediate holding company. The Company places its cash with creditworthy financial institutions. 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.

There are no financial assets that were overdue or impaired at year end.

**c) Interest rate risk management**

The Company has minimal interest rate risk as the short-term deposits is placed on a short-term basis. There are no other significant interest bearing assets and liabilities at the end of the period.

No sensitivity analysis is prepared as the Company does not expect any material effect on its profit or loss arising from effects of reasonably possible changes to interest rates on interest bearing assets at the end of the reporting period.

**d) Liquidity risk management**

The Company maintains sufficient cash and bank balance to fund its daily operating requirement. In addition, the Company also relies on the holding company to fund any shortfall in liquidity requirement.

All financial liabilities are repayable on demand or due within one year from the end of the reporting period.

**e) Foreign currency risk management**

The Company's foreign currency exposures arise mainly from the exchange rate movements to United States Dollar against the Singapore Dollar. This exposure is unhedged. No sensitivity analysis is presented as the foreign currency exposures are immaterial.

**f) Fair value of financial assets and financial liabilities**

The carrying amounts of cash and cash equivalents, due from intermediate holding company, other receivables

and other payables that are measured at amortised cost approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Company had no financial assets and liabilities carried at fair value on a recurring basis.

**g) Capital management policies and objectives**

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern and to meet the regulatory requirements. The capital structure of the Company comprises only of issued capital net of accumulated losses.

Management monitors capital based on the Base Capital Requirements and Total Risk Requirements required by the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations.

The Company is in compliance with all externally imposed capital requirements for the financial year ended March 31, 2016 and 2017. There were no changes in the Company's capital management policies during the year.

## 5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of JM Financial Overseas Holding Pvt. Ltd., incorporated in Mauritius. The Company's intermediate holding company is JM Financial Institutional Securities Ltd. and the ultimate holding company is JM Financial Ltd., both incorporated in India. Related companies in these financial statements refer to members of the ultimate holding company's group of companies and partnerships.

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 is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable/receivables on demand unless otherwise stated.

# NOTES

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Significant transactions with its related companies, except as disclosed elsewhere in the financial statements, are as follows:

	2017 Singapore Dollars	2016 Singapore Dollars
Support service fee for institutional equities services (Note 12)	705,053	854,422
Business support service (Note 14)	(488,046)	-

## 6 OTHER RELATED PARTY TRANSACTIONS

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, repayable on demand and interest-free.

Significant transaction with its related parties, except as disclosed elsewhere, are as follows:

	2017 Singapore Dollars	2016 Singapore Dollars
For directors and key management personnel		
Charged to profit or loss		
Short-term benefits	625,000	325,717
Board meeting sitting fees paid	1,000	2,500
	626,000	328,217
Deferred consideration:		
Other long-term benefits <sup>1</sup>	200,000	-
	826,000	328,217

<sup>1</sup> The management of the company has approved the bonus payable to a director of the company amounting to Singapore Dollars 500,000 in connection with the services rendered during the year, of which Singapore Dollars 200,000 is deferred and payable in 2018 and 2019 subject to the employee still remaining under employment with the company. Such deferred bonus will be expensed over 2018 and 2019.

# NOTES

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## 7 CASH AND CASH EQUIVALENTS

	2017 Singapore Dollars	2016 Singapore Dollars
Cash in hand	433	472
Balance with bank	102,762	130,193
Short-term deposits	4,900,000	1,860,000
	<b>5,003,195</b>	<b>1,990,665</b>

Short-term deposits are made for 1 to 3 months (2016 : 1 to 3 months) depending on the immediate cash requirements of the Company. The short-term deposits can be withdrawn anytime at the discretion of management and earn fixed interest at the respective short-term deposit rates. Interest rates of short-term deposits ranged from 0.50 % to 1.25% (2016 : 1.14% to 1.25%) per annum.

## 8 OTHER RECEIVABLES AND PREPAYMENTS

	2017 Singapore Dollars	2016 Singapore Dollars
Prepayments	103,555	30,610
Sundry debtors	-	422
GST input credit (refund due)	11,752	8,910
Accrued interest receivable from short-term deposits	3,854	2,500
	<b>119,161</b>	<b>42,442</b>

## 9 PROPERTY, PLANT AND EQUIPMENT

(Amount in Singapore Dollars)

	Leasehold improvements	Computers	Software	Servers and Networks	Furniture and fixtures	Office equipment	Total
<b>Cost:</b>							
As at April 1, 2015	150,697	39,109	6,284	38,364	93,939	73,322	401,715
Additions	-	1,377	-	-	-	-	1,377
As at March 31, 2016	150,697	40,486	6,284	38,364	93,939	73,322	403,092
Additions	-	-	-	7,520	-	-	7,520
As at March 31, 2017	150,697	40,486	6,284	45,884	93,939	73,322	410,612
<b>Accumulated depreciation:</b>							
As at April 1, 2015	150,697	36,898	3,902	19,887	29,673	45,674	286,731
Depreciation for the year	-	2,475	1,257	6,394	9,394	14,664	34,184
As at March 31, 2016	150,697	39,373	5,159	26,281	39,067	60,338	320,915
Depreciation for the year	-	610	1,125	7,287	9,368	12,415	30,805
As at March 31, 2017	150,697	39,983	6,284	33,568	48,435	72,753	351,720
<b>Carrying amount:</b>							
As at March 31, 2017	-	503	-	12,316	45,504	569	58,892
As at March 31, 2016	-	1,113	1,125	12,083	54,872	12,984	82,177

## 10 OTHER PAYABLES

	2017 Singapore Dollars	2016 Singapore Dollars
Employee benefits payable	485,383	286,000
Accrued expenses	37,640	36,367
Singapore CPF and other payables	12,958	10,579
	<b>535,981</b>	<b>332,946</b>

# NOTES

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## 11 SHARE CAPITAL

	2017 No of shares	2016 No of shares	2017 Singapore Dollars	2016 Singapore Dollars
<b>Ordinary Shares</b>				
At the beginning of year and at end of the year	5,000,000	5,000,000	5,000,000	5,000,000
<b>Preference shares</b>				
At the beginning of year	2,100,000	1,400,000	2,100,000	1,400,000
Issued during the year	-	700,000	-	700,000
At end of the year	2,100,000	2,100,000	2,100,000	2,100,000
<b>Total share capital</b>	7,100,000	7,100,000	7,100,000	7,100,000

The Company has one class of ordinary shares, which carry one vote per share and carry a right to dividends as and when declared.

The preference shares issued by the Company are non-redeemable, carry a 10% non-cumulative dividend and carry a preference over the ordinary shares of the Company on liquidation, dissolution or winding up, subject to the provisions of the Singapore Companies Act.

The preference shareholders are entitled to vote only on resolutions placed before the Company which directly affect the rights attached to the preference shares. As the option of redeeming the preference shares and declaration of dividends which are subject to availability of profits vests with the Company, such preference shares are treated as equity in accordance with the substance of the contractual arrangement.

In 2016, the immediate holding company subscribed to 700,000 preference shares.

## 12 REVENUE

	2017 Singapore Dollars	2016 Singapore Dollars
Advisory fees on corporate finance services	5,688,827	1,281,372
Support service fees for institutional equities services (Note 5)	705,053	854,422
	6,393,880	2,135,794

## 13 EMPLOYEE BENEFITS EXPENSE

	2017 Singapore Dollars	2016 Singapore Dollars
Directors' remuneration	625,000	325,717
Staff costs (excluding directors' remuneration)	852,617	1,476,015
Employee benefits - Leave entitlements	(2,494)	(10,124)
Cost of defined contribution plans (excluding directors' remuneration)	60,842	55,664
	1,535,965	1,847,272

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## 14 OTHER OPERATING EXPENSES

	2017 Singapore Dollars	2016 Singapore Dollars
Rent	361,670	361,670
Professional fees	183,495	130,034
Travelling, conveyance and boarding expenses	79,508	81,508
Business support service (Note 5)	488,046	-
Membership and subscription	144,640	133,749
Foreign currency fluctuation loss	6,267	8,382
Communication expenses	42,740	43,640
Audit fees	24,000	23,350
Repairs and maintenance expenses	33,607	20,541
Printing and stationery expenses	3,775	5,039
Business development expenses	8,968	17,139
Housekeeping charges	7,560	7,230
Directors' indemnity insurance	12,919	14,669
Electricity expenses	2,727	2,938
Insurance charges - office	444	354
Miscellaneous expenses	22,019	26,353
	<b>1,422,385</b>	<b>876,596</b>

## 15 OTHER INCOME

	2017 Singapore Dollars	2016 Singapore Dollars
Interest on fixed deposit with banks	14,113	7,821
Government Grants		
Wage Credit Scheme	957	3,949
Temporary Employment Credit	4,601	2,187
MAS refund	300	-
	<b>19,971</b>	<b>13,958</b>

The Wage Credit Scheme (WCS) is recognised as government grant, allowable to all eligible employers in return for meeting certain conditions related to the operating activities of the entities.

The Temporary Employment Credit (TEC) was introduced as an initiative in Budget 2015 of Singapore to help alleviate the rise in business costs due to the increase in Medisave Contribution rates.

# NOTES

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## 16 OPERATING LEASE COMMITMENTS

	2017 Singapore Dollars	2016 Singapore Dollars
Minimum lease payments paid under operating leases	361,670	361,670

At the end of the reporting year, the commitments in respect of operating leases for the lease of premises were as follows:

	2017 Singapore Dollars	2016 Singapore Dollars
Within one year	271,253	361,670
In the second to fifth year inclusively	-	271,253

The Company has taken premises on operating lease basis for a tenure of three years. At the end of the reporting period, the operating lease agreement expires on December 31, 2017.

## 17 INCOME TAX EXPENSE

	2017 Singapore Dollars	2016 Singapore Dollars
Current tax	-	-
Withholding tax paid	558,551	85,442
<b>Total tax expense</b>	<b>558,551</b>	<b>85,442</b>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore tax rate of 17% to profit/(loss) before tax as a result of the following differences:

	2017 Singapore Dollars	2016 Singapore Dollars
Profit/(Loss) before tax	3,424,696	(608,300)
Income tax expense/(benefit) at statutory rate 17% (2016 : 17%)	582,198	(103,411)
Withholding tax expenses	558,551	85,442
Non-deductible expenses	5,237	5,877
Utilisation of prior period unused tax losses not recognised as deferred tax assets	(587,435)	-
Effect of utilisation of tax losses not recognised as deferred tax assets	-	97,534
<b>Total tax expense</b>	<b>558,551</b>	<b>85,442</b>

Support service fees are earned from the intermediate holding company which is domiciled in India. Income earned from India is taxed at source and corresponding collection of the support service fee are net of 10% withholding tax.

As at March 31, 2017, the Company has unused tax losses of Singapore Dollars 1,625,119 (2016 : Singapore Dollars 5,080,619) for which no deferred tax asset is recognised due to uncertainties over availability of future taxable income against which unused tax losses can be utilised.

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