

**ADITYA BIRLA SUN LIFE ASSET
MANAGEMENT COMPANY LIMITED
DIFC, DUBAI**

Financial statements

Year ended March 31, 2017

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Independent Auditor's Report

To the shareholder of Aditya Birla Sun Life Asset Management Company Limited , Dubai

Opinion

We have audited the financial statements of Aditya Birla Sun Life Asset Management Company Limited , DIFC, Dubai ("the Company") which comprise the statement of financial position as at March 31, 2017, the statement of comprehensive income , statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at March 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of USD 73,596 during the year ended March 31, 2017 and as of that date, the Company had accumulated deficit of USD 2,417,720. These conditions, as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Directors

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Directors are responsible for overseeing the financial reporting process.

Independent Auditor's Report (Continued)

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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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 management and directors, 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.



BDO CHARTERED ACCOUNTANTS & ADVISORS
Bharadhwaj Lakxminarasiman
April 20, 2017
Dubai

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED, DIFC, DUBAI

Statement of financial position at March 31, 2017

	Note	USD	2016 USD
Non current assets			
Furniture, fixtures and office equipment	6	13,545	3,305
Current assets			
Other receivables	7	47,772	74,263
Due from related parties	8	306,351	132,246
Bank balances		569,401	766,148
Total current assets		923,524	972,657
Current liabilities			
Accruals and other payables	9	76,453	65,244
Due to related parties	8	113,815	99,460
Total current liabilities		190,268	164,704
Net current assets		733,256	807,953
Non current liabilities			
Provision for employees' end of service benefits	10	39,521	30,382
Net assets		707,280	780,876
Equity			
Share capital	11	3,125,000	3,125,000
Accumulated deficit		(2,417,720)	(2,344,124)
Total equity		707,280	780,876

The financial statements have been approved by the Board of Directors on April 20, 2017. These financial statements are signed on it's behalf by:



Vikas Gautam
Director



Ram Goyal
Senior Executive Officer

The notes on pages 7 to 20 form part of these financial statements

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED, DIFC, DUBAI

Statement of comprehensive income for the year ended March 31, 2017

	Note	USD	2016 USD
Revenue	12	679,673	555,118
Other income		2,525	-
		<u>682,198</u>	<u>555,118</u>
Administration and general expenses	13	(755,794)	(708,207)
Net loss and total comprehensive income for the year		<u>(73,596)</u>	<u>(153,089)</u>

The notes on pages 7 to 20 form part of these financial statements

ADITYA BIRLA SUN LIFE ASSET MANAGEMENT COMPANY LIMITED, DIFC, DUBAI

Statement of changes in equity for the year ended March 31, 2017

	Share capital	Accumulated deficit	Total equity
	USD	USD	USD
Balance at April 1, 2015	3,125,000	(2,191,035)	933,965
Total comprehensive income for the year	-	(153,089)	(153,089)
Balance at March 31, 2016	3,125,000	(2,344,124)	780,876
Total comprehensive income for the year	-	(73,596)	(73,596)
Balance at March 31, 2017	3,125,000	(2,417,720)	707,280

The notes on pages 7 to 20 form part of these financial statements

Statement of cash flows for the year ended March 31, 2017

			2016
	Note	USD	USD
Cash flows from operating activities			
Net loss for the year		(73,596)	(153,089)
Adjustments for:			
Depreciation	6	3,176	16,572
Provision for employees' end of service benefits	10	9,139	7,125
		<u>(61,281)</u>	<u>(129,392)</u>
Operating loss before working capital changes			
Decrease in other receivables	7	26,491	2,734
(Increase)/decrease in due from related parties	8	(174,105)	21,364
Increase in accruals and other payables	9	11,209	14,886
Increase/(decrease) in due to related parties	8	14,355	(8,623)
		<u>(183,331)</u>	<u>(99,031)</u>
Cash flows from investing activities			
Purchase of furniture, fixtures and office equipment	6	(13,416)	(2,961)
Proceeds from disposal of furniture, fixtures and office equipment		-	176
		<u>(13,416)</u>	<u>(2,785)</u>
<i>Net cash used in investing activities</i>			
		<u>(196,747)</u>	<u>(101,816)</u>
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		766,148	867,964
		<u>569,401</u>	<u>766,148</u>
Cash and cash equivalents at end of the year			

The notes on pages 7 to 20 form part of these financial statements

1 Status and activity

Aditya Birla Sun Life Asset Management Company Limited, DIFC, Dubai ("the Company") was incorporated in the Dubai International Financial Centre ("DIFC") as a limited liability Company on November 9, 2010.

The Company obtained authorisation and a license on November 9, 2010, having license no. 0993 from the Dubai Financial Services Authority ("DFSA") as a category 4 Company as defined in the DFSA Prudential rules.

The principal place of business of the Company is located at Al Fattan Currency House, Tower 1, DIFC, Dubai. The principal activities of the Company include arranging credit and deals in investment and advising on financial products or credit.

The Company is the subsidiary of Birla Sun Life Asset Management Company Limited ("the Parent Company"), a company registered in India. The ultimate parent company is Aditya Birla Nuvo Limited ("the ultimate parent"), a company registered in India.

The financial statements for the year ended March 31, 2017 were authorised for issue by the Board of Directors on April 20, 2017.

These financial statements are presented in US Dollars (USD) which is the functional and presentation currency of the Company.

2 Going concern considerations

These financial statements are prepared on a going concern basis, which assumes that the Company will continue to operate as a going concern for the foreseeable future. During the year, the Company had incurred a net loss of USD 73,596 (2016: USD 153,089). The continuance of the Company's operations is dependent on the introduction of sufficient funds by the shareholders and its future profitability. The shareholder of the Company has resolved that they will continue to support financially the future operations of the Company.

3 Adoption of new and revised standards

The following new and revised IFRSs have been adopted in these financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Annual Improvements to IFRSs 2012-2014 Cycle (Effective for annual periods beginning on or after July 1, 2016):

IAS 19 Employee Benefits

This improvement clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid. The amendment has no impact on the Company's financial position or performance on adoption.

New, amended, and revised standards effective for periods beginning after January 1, 2017

IAS 7 Statement of Cash Flows

- The Amendments to IAS 7 are part of the *Disclosure Initiative Project*.
- Background to the amendments:
 - Amendments in response to request from users;
 - Understanding an entity's cash flows is critical to users' analysis.

3 Adoption of new and revised standards (Continued)

IAS 7 Statement of Cash Flows (Continued)

Paragraph 44A added: 'An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes'.

- The following changes in liabilities arising from financing activities shall be disclosed:
 - ◆ Changes from financing cash flows;
 - ◆ Changes arising from obtaining or losing control of subsidiaries or other businesses;
 - ◆ The effect of changes in foreign exchange rates;
 - ◆ Changes in fair values; and
 - ◆ Other changes.

Paragraph 44C added: 'Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities'.

Disclosure requirement in paragraph 44A is fulfilled by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Effective date: an entity shall apply the amendments for annual periods beginning on or after 1 January 2017. Earlier application is permitted.

IFRS 15 'Revenue from Contracts with Customers' (Effective for annual periods beginning on or after January 1, 2018):

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

The Company is yet to assess IFRS 15's full impact and intends to adopt IFRS 15 no earlier than the accounting period beginning on or after January 1, 2018.

IFRS 16 'Leases' (Effective for annual periods beginning on or after January 1, 2019):

IFRS 16 specifies how to recognise, measure, present and disclose leases.

- The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.
- Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17
- IFRS 16 replaced the following standards and interpretation
 - ◆ IAS 17 - Leases
 - ◆ IFRIC 4 - Determining whether an arrangement contain a lease

3 Adoption of new and revised standards (Continued)

IFRS 16 'Leases' (Effective for annual periods beginning on or after January 1, 2019) (Continued)

- ◆ SIC-15 - Operating leases - incentives
- ◆ SIC-27 - Evaluating the substance of transaction involving the Legal Form of a Leases

IFRS 9 'Financial instruments (2014)' (Effective for annual periods beginning on or after January 1, 2018):

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- ◆ **Classification and measurement** - Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however there are differences in the requirements applying to the measurement of an entity's own credit risk.
- ◆ **Impairment** - The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised
- ◆ **Hedge accounting** - Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- ◆ **Derecognition** - The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39

4 Significant accounting policies

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The significant accounting policies adopted are as follows:

Furniture, fixtures and office equipment

Furniture, fixtures and office equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the expenditure that is directly attributable to the acquisition of the assets.

The cost of replacing a part of furniture, fixtures and office equipment is recognized in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

The routine servicing of the furniture, fixtures and office equipment are recognized in the statement of profit or loss and comprehensive income.

4 Significant accounting policies (Continued)***Furniture, fixtures and office equipment (Continued)***

An item of furniture, fixtures and office equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of items of office equipments, computer and furniture and fixtures is determined as the difference between the sales proceeds and the carrying value of the assets and it is recognised in the statement of comprehensive income.

Depreciation

Depreciation is provided consistently on a straight line basis so as to write off the cost of office equipments, computer and furniture and fixtures over their estimated useful lives as follows:

Office equipment	5 years
Computers and softwares	3 years
Furniture and fixtures	5 years

Financial assets

The Company classifies its financial assets into one of the following categories depending on the purpose for which the asset was acquired. Financial assets are recognized and derecognized on the trade date, and are initially measured at fair value, net of transaction costs for those financial assets classified as fair value through profit or loss which are initially measure at fair value.

Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only financial assets held for trading. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is part of an identified portfolio of financial instrument that the Company manages together and has a recent actual pattern of short term profit-taking or
- it is derivative that is not designated and effective as hedging instrument

Financial assets through profit or loss are stated fair value, with any results gain or losses recognized in the statement of comprehensive income.

Financial assets are classified as fair value through profit or loss when the financial asset is either as held for trading investment or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if, it has been acquired principally for the purpose of selling it in the near term; or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

4 Significant accounting policies (Continued)

Financial assets (Continued)

Loans and receivables (Continued)

The Company's loans and receivables comprise other receivables and due from related parties in the statement of financial position.

Held - to - maturity investment

These assets are non-derivative financial assets with determinable payments and fixed maturities that Company's management has the positive intention and ability to hold till maturity. These assets are measured at amortised costs with changes through statement of comprehensive income.

Available-for-sale financial assets

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Company's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities or investments in financial assets intended for to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates.

These assets are included in non-current assets unless management has expressed its intention of holding these investments for less than twelve months from the date of statement of financial position, and are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available for sale investments constitutes objective evidence of impairment, the amount of loss is removed from equity and recognized in the statement of comprehensive income.

Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method is recognised in profit or loss. Purchases and sales of available for sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve.

On sale, the cumulative gain or loss recognised in other comprehensive income is reclassified from the available-for-sale reserve to profit or loss.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include bank balances free of encumbrance.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss

They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. The Company does not have any liabilities which is to be designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Short-term monetary liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

4 Significant accounting policies (Continued)

Foreign currencies

Transaction entered into by the Company entities in a currency other than the currency of the primary economic environment in which they operates (“their functional currency”) is recorded at the ruling rates when the transaction occurs. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the reporting date. Exchange difference arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in the profit or loss except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange difference is recognized in other comprehensive income and accumulated in the foreign exchange reserve along with exchange difference arising on the retranslation of foreign operation.

Exchange gains or losses arising on the retranslation of monetary available for sale financial assets are treated as separate component of change in the fair and recognized in the profit or loss. Exchange gains or losses on non-monetary available for sale financial assets form part of overall gain or loss recognized in respect of that financial instrument.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that that a financial asset or a Company of financial assets is impaired and recognises an allowance for impairment when such evidence exists. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables/Held-to-maturity financial assets

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

Available-for-sale financial assets

In addition to the objective evidence of impairment as described above, a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If any evidence of impairment exists, the cumulative loss that was previously recognised in other comprehensive income is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense. The impairment losses recognised as an expense on equity securities are not reversed through profit or loss.

4 Significant accounting policies (Continued)

Impairment (Continued)

Available-for-sale financial assets (Continued)

All impairment losses are recognised in the statement of income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortized cost that are debt securities, the reversal is recognised in the statement of income.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

Furniture, fixtures and office equipment

Furniture, fixtures and office equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

Employees' end of service benefits

Provision is made for employees' end of service benefits on the basis prescribed in the UAE Labour Law, for the accumulated period of service at the date of statement of financial position.

Provisions

Provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's ordinary shares are classified as equity instruments.

Leasing

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

4 Significant accounting policies (Continued)**Revenue recognition**

Revenue from referral fees is recognized on an accrued basis at specific rates.

Revenue from marketing fees is recognized on an accrued basis at specific rates, applied on the average daily net assets of India Advantage Fund.

Revenue for marketing support is measured at cost plus mark up and recognized on an accrued basis.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

5 Critical accounting judgemental and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the date of statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Furniture, fixtures and office equipments

Furniture, fixtures and office equipments are depreciated over the estimated useful life, which is based on estimates for expected usage of the asset and expected physical wear and tear which are dependent on operational factors. Management has not considered any residual value as it is deemed immaterial.

6 Furniture, fixtures and office equipment

Movements in furniture, fixtures and office equipments are given on page 20.

7 Other receivables

	2016	
	USD	USD
Prepayments	25,999	52,490
Deposits	21,773	21,773
	47,772	74,263
	47,772	74,263

8 Related party disclosures

Related parties include the ultimate parent company, the shareholders, key management personnel, associates and any businesses which are controlled directly or indirectly by the Company or over which they exercise significant management influence. The balances due to/from such parties, which have been disclosed separately in the financial statements, are unsecured, interest-free and are repayable on demand.

Notes to the financial statements for the year ended March 31, 2017

8 Related party disclosures (Continued)

The significant related party transactions during the year are as follows:

	USD	2016 USD
Key management personnel		
- Short term benefits	354,261	279,641
- Long term benefits	24,656	3,848
	<u>378,917</u>	<u>283,489</u>
Parent		
- Marketing support income	219,010	-
Other related parties		
- Referral fee income	204,238	235,774
- Marketing fee income	256,425	319,344
	<u>460,663</u>	<u>555,118</u>

Nature of related party balances are given below :

	USD	2016 USD
Payables:		
- Key management personnel	113,815	99,460
Receivables:		
- Parent	147,936	-
- Other related parties	158,415	132,246
	<u>306,351</u>	<u>132,246</u>

9 Accruals and other payables

	USD	2016 USD
Accruals	71,573	62,247
Other payables	4,880	2,997
	<u>76,453</u>	<u>65,244</u>

The Company has financial risk management policies in place to ensure that payables are paid within the credit time frame. Accruals and other payables which are classified as financial liabilities measures at amortised cost approximate fair value.

Notes to the financial statements for the year ended March 31, 2017

10 Provision for employees' end of service benefits

	USD	2016 USD
Opening balance	30,382	23,257
Provision made during the year	9,139	7,125
Closing balance	<u>39,521</u>	<u>30,382</u>

11 Share capital

	USD	2016 USD
Authorised capital:		
5,000,000 shares of USD 1 each	<u>5,000,000</u>	<u>5,000,000</u>
Issued and paid up capital:		
3,125,000 shares of USD 1 each	<u>3,125,000</u>	<u>3,125,000</u>

12 Revenue

	USD	2016 USD
Referral fee	204,238	235,774
Marketing support	219,010	-
Marketing fee	256,425	319,344
	<u>679,673</u>	<u>555,118</u>

13 Administration and general expenses

	USD	2016 USD
Salaries and other benefits	476,362	438,012
Director's remuneration	42,237	27,237
Rent and license fees	86,821	87,777
Communication	35,248	35,870
Travelling, conveyance and vehicle expenses	18,598	15,607
Entertainment and business promotion	18,023	8,071
Legal and professional fees	51,028	51,687
Exchange loss	9,010	7,099
Depreciation	3,176	16,572
Other	15,291	20,275
	<u>755,794</u>	<u>708,207</u>

14 Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

Capital risk management

The capital is managed by the Company in a way that it is able to continue as a going concern while maximising returns to shareholders.

The capital structure of the Company consists of bank balances and equity attributable to equity holders, comprising of issued capital and accumulated deficit.

As a risk management policy, the Company reviews its cost of capital and risks associated with each class of capital. The Company balances its capital structure based on the above review.

The continuance of the Company's operations is dependent on the introduction of sufficient funds by the shareholders and its future profitability.

Regulatory Capital

In implementing current capital requirements, the Company assesses its capital resources in accordance with the guidelines issued by the Dubai Financial Services Authority prescribing the minimum capital adequacy requirements.

Summary data of regulatory capital managed as at the year end was as follows:

Capital Resources	USD	2016 USD
Share capital	3,125,000	3,125,000
Accumulated deficit	(2,417,720)	(2,344,124)
Total Capital resources	707,280	780,876
Capital Requirements		2016
Capital requirement is the higher of:	USD	USD
Based Capital requirement	10,000	10,000
Expenditure based capital requirement-as notified by the regulator	105,000	105,000
Total Capital requirement	105,000	105,000
Resources less capital requirement	602,280	675,876

The Company has complied with all externally mandated capital requirements during the year.

As a risk management policy, the Company reviews its cost of capital and risks associated with capital. The Company balances its capital structure based on the above review.

14 Financial instruments - risk management (Continued)**Market risk management**

Market risk is the risk that the value of an asset will fluctuate as a result of changes in market variables such as interest rates, foreign exchange rates, and equity prices, whether those changes are caused by factors specific to the individual investment or its issuer or factors affecting all financial assets traded in the market.

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Company is mainly exposed to UAE Dirham (AED) and Singapore Dollars (SGD). But, as US Dollar is pegged to the UAE Dirham (AED), the Company is not exposed to any significant exchange rate fluctuations to the UAE Dirham (AED). The following table details the Company's sensitivity to a 10 percent increase or decrease in the US Dollar against the Singapore Dollars (SGD).

	USD	2016 USD
Profit or loss	4,968	6,004

Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company is potentially exposed to concentration of credit risk from its financial assets which comprise principally bank balances, other receivables and amounts due from related parties. The Company's bank accounts are placed with high credit quality financial institutions. The credit risk on other receivables and related parties are subjected to credit evaluations and an allowance has been made for estimated irrecoverable amounts. The amounts presented in the statement of financial position are net of allowances for doubtful receivables.

As at date of statement of financial position, the Company's exposure to credit risk from amount due from related parties situated outside the UAE is as follows:

	USD	2016 USD
Mauritius	109,103	72,208
India	147,936	-
Singapore	49,312	60,038

Notes to the financial statements for the year ended March 31, 2017

14 Financial instruments - risk management (Continued)**Financial instruments by category**

The carrying amounts for each class of financial instrument are listed below:

	Fair value hierarchy level	2017 USD	2016 USD
Financial assets			
Loans and receivables			
- Other receivables	Level 3	21,773	21,773
- Due from related parties	Level 3	306,351	132,246
- Bank balances		569,401	766,148
Financial liabilities			
- Accruals and other payables	Level 3	76,453	65,244
- Due to related parties	Level 3	113,815	99,460

Financial instruments not measured at fair value include cash and cash equivalents, other receivables and other payables. Due to their short-term nature, the carrying value of cash and cash equivalents, other receivables and other payables approximates their fair value.

15 Operating leases

The future minimum lease payments under non-cancelable operating leases are payable as below:

	2017 USD	2016 USD
Not later than one year	33,248	31,745

During the year an amount of USD 58,090 (2016: USD 58,607) was recognised as an expense in the statement of comprehensive income in respect of the operating lease.

16 Comparative figures

Previous year's figures have been regrouped or reclassified wherever necessary to make them comparable with those of the current year. These regrouping and reclassifications were not material.

Schedule of furniture, fixtures and office equipment

	Office equipment USD	Computers and software USD	Furniture and fixtures USD	Total USD
Cost				
At April 1, 2015	16,221	20,422	76,645	113,288
Additions	902	2,059	-	2,961
Disposals	(710)	-	-	(710)
At March 31, 2016	16,413	22,481	76,645	115,539
Additions	501	10,155	2,760	13,416
Disposals	(1,403)	-	-	(1,403)
At March 31, 2017	15,511	32,636	79,405	127,552
Depreciation				
At April 1, 2015	13,695	18,630	63,871	96,196
Charge for the year	2,415	1,383	12,774	16,572
On disposals	(534)	-	-	(534)
At March 31, 2016	15,576	20,013	76,645	112,234
Charge for the year	341	2,483	352	3,176
On disposals	(1,403)	-	-	(1,403)
At March 31, 2017	14,514	22,496	76,997	114,007
Net Book Value				
At March 31, 2017	997	10,140	2,408	13,545
At March 31, 2016	837	2,468	-	3,305