BIRLA SUN LIFE AMC (MAURITIUS) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS PAGES

		Appointment
DIRECTORS:	Mr Kapildeo Joory	20 May 1996
	Mr Kishore Sunil Banymandhub	14 June 1996
	Mr George André Robert	26 November 1999
	Mr Sandeep Asthana	1 June 2011
	Mr Shriram Jagetiya	17 June 2014

ADMINISTRATOR AND SECRETARY:

International Financial Services Limited
IFS Court
TwentyEight, Cybercity
Ebène
Mauritius

REGISTERED OFFICE:

IFS Court
TwentyEight, Cybercity
Ebène
Mauritius

AUDITORS:

Ernst & Young
9th Floor, Tower 1
NeXTeracom
Cybercity
Ebène
Mauritius

BANKER:

Barclays Bank Mauritius Limited
3rd Floor
Barclays House
68-68A, Cybercity
Ebene
Mauritius

The Directors present the audited financial statements of BIRLA SUN LIFE AMC (MAURITIUS) LIMITED (the 'Company') for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is to act as an investment manager to India Advantage Fund Limited, a related entity.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern and has no reason to believe that the business will not be a going concern in the year ahead.

AUDITORS

The auditors, Ernst & Young, have indicated their willingness to continue in office until the next Annual Meeting.

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **BIRLA SUN LIFE AMC (MAURITIUS) LIMITED** under Section 166(d) of the Companies Act 2001, for the financial year ended 31 March 2015.

For International Financial Services Limited
Secretary

Registered Office:

IFS Court
TwentyEight, Cybercity
Ebène
Mauritius

15 April 2015

Building a better working world

To
The Principal Auditor
Haribhakti & Co
Chartered Accountants

We have audited the accompanying financial statements of Birla Sun Life AMC (Mauritius) Limited ("the Subsidiary") of Birla Sun Life Asset Management Company Limited expressed in USD, which comprise the statement of financial position as at 31 March 2015, and the statement of profit or loss and other comprehensive income and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standard on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements on pages 7 to 22 give a true and fair view of the financial position of the Company as at 31 March 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Matter

This report is issued solely for the purpose of inclusion in the consolidation of Birla Sun Life Asset Management Company Limited. This report may not be used for any other purpose.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

Date: 15 APR 2015

LI KUNE LAN POOKIM, A.C.A, F.C.C.A
Licensed by FRC

	Notes	2015 USD	2014 USD
INCOME			
Investment management income	6	977,917	721,441
Foreign exchange gain		616	-
		978,533	721,441
EXPENSES			
Directors' fees		20,000	20,000
Professional fees		22,931	18,675
Salary		32,474	29,809
Office expenses		16,082	21,513
Audit fees		16,703	15,413
Other expenses		17,311	10,727
Bank charges		5,391	3,438
Licence fees		4,300	4,125
Depreciation	8	385	271
		135,577	123,971
Profit before tax		842,956	597,470
Income tax expense	7	(25,263)	(17,930)
Profit and total comprehensive income for the year, net of tax		817,693	579,540

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Notes	2015 USD	2014 USD
ASSETS			
Non-current asset			
Office equipment	8	873	-
Total non-current asset		873	-
Current assets			
Receivables and prepayments	9	98,569	61,173
Cash and cash equivalent		592,952	172,483
Total current asset		691,521	233,656
Total assets		692,394	233,656
EQUITY AND LIABILITIES			
Equity			
Stated capital	11	45,000	45,000
Retained earnings		617,193	174,500
Total equity		662,193	219,500
Current liabilities			
Other payables	10	16,884	9,832
Income tax payable	7	13,317	4,324
Total current liabilities		30,201	14,156
Total equity and liabilities		692,394	233,656

Approved by the Committee and authorised for issue on 15 April 2015 and signed on its behalf by:

Director

	Stated capital USD	Retained earnings USD	Total USD
At 1 April 2013	45,000	194,960	239,960
Profit and total comprehensive income for the year		579,540	579,540
Dividends (note 11)		(600,000)	(600,000)
At 31 March 2014	45,000	174,500	219,500
Profit and total comprehensive income for the year	-	817,693	817,693
Dividends (note 11)	-	(375,000)	(375,000)
At 31 March 2015	**45,000**	**617,193**	**662,193**

BIRLA SUN LIFE AMC (MAURITIUS) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 USD	2014 USD
Operating activities			
Profit before tax		842,956	597,470
Non-cash adjustment to reconcile profit before tax to net cash flows:			
Depreciation	8	385	271
		843,341	597,741
Working capital adjustments:			
(Increase)/decrease in receivables and prepayments		(37,396)	6,106
Increase/(decrease) in other payables		7,052	(1,432)
		812,997	602,415
Income tax paid	7	(16,270)	(24,445)
Net cash flows from operating activities		796,727	577,970
Investing activities			
Purchase of office equipment	8	(1,258)	-
Net cash flows used in investing activities		(1,258)	-
Financing activities			
Dividend paid	12	(375,000)	(600,000)
Net cash flows used in financing activities		(375,000)	(600,000)
Net increase / (decrease) in cash and cash equivalents		420,469	(22,030)
Cash and cash equivalents at 1 April		172,483	194,513
Cash and cash equivalents at 31 March		592,952	172,483

The notes on pages 11 to 22 form an integral part of these financial statements.

1. LEGAL FORM AND PRINCIPAL ACTIVITY

The Company was incorporated in Mauritius on 20 May 1996 as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The Company's registered office is at IFS Court, TwentyEight, Cybercity, Ebène, Mauritius.

The principal activity of the Company is to act as investment manager to India Advantage Fund Limited, a related entity.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

The financial statements are prepared under the historical cost convention. The preparation of financial statements in accordance with IFRS requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates' are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and sales taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. One of the specific recognition criteria that must also be met before revenue is recognised:

Interest income

Interest income is accounted for on a time proportion basis.

Investment management income

Investment management income is recognised in accordance with the terms of the relevant agreement in place and is disclosed under Note 6.

(d) Foreign currencies

Functional and presentation currency

The financial statements are presented in United States Dollars ("USD") which is also the currency of the primary economic environment in which the Company operates ("functional currency").

The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currencies (continued)

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

(e) Office equipment

Office equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of such assets. Additions during the year bear a due proportion of the annual depreciation charge. The annual depreciation rate used for the purpose of calculating depreciation is 33.33%.

Gains and losses on disposal of plant and equipment are determined by reference to their written down value and are included in determining operating profit.

(f) Financial instruments

Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits and other receivables.

Subsequent measurement

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

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Other short-term receivables have been included in this category.

Loans and receivables are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

Loans and receivables (continued)

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments, but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement;
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company assesses at each reporting date whether a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(i) Income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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 an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 1 April 2014:

Amendments	Effective for accounting period beginning on or after
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014
Recoverable amount disclosures for non-financial assets (Amendments to IAS 36)	1 January 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
IFRIC 21 Levies	1 January 2014

Where the adoption of the standard or interpretation or improvement is deemed to have an impact on the financial statements or performance of the Company, its impact is described below:

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities - effective 1 January 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off';
- The application of simultaneous realisation and settlement;
- The offsetting of collateral amounts; and
- The unit of account for applying the offsetting requirements.

This amendment did not have an impact on the financial position or performance of the Company.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) - effective 1 January 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- Provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;

3. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) - effective 1 January 2014 (continued)

- Require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- Require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

This amendment did not have an impact on the financial position or performance of the Company as the Company is not an investment entity.

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) - effective 1 January 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

This amendment did not have an impact on the financial position or performance of the Company.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) - effective 1 January 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The Company did not enter into any hedge arrangement during the financial year and as such this Standard had no effect on the financial position and performance of the Company.

IFRIC 21 Levies - effective 1 January 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation.
It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

This new interpretation had no effect on the financial position and performance of the Company.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

	Effective for accounting period beginning on or after
New or revised standards	
IFRS 9 Financial Instruments	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments	
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014
Annual Improvements 2010-2012 Cycle	1 July 2014
Annual Improvements 2011-2013 Cycle	1 July 2014
Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	1 January 2016
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	1 January 2016
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	1 January 2016
Equity Method in Separate Financial Statements (Amendments to IAS 27)	1 January 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2016
Annual Improvements 2012 - 2014 Cycle	1 July 2016

The directors are still assessing the impact from the adoption of these new or revised standards and interpretations in the presentation of the financial statements.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

No significant accounting estimates and assumptions were used in the preparation of the financial statements.

6. INVESTMENT MANAGEMENT INCOME

The Company has entered into an Investment Management Agreement with India Advantage Fund Limited (the "Fund"), a related party. Under the Investment Management Agreement, the Company is entitled to a fee, accruing at the annual rate of 0.25% of the net proceeds of the initial placing to 30 September 1996 and subsequently at the annual rate of 0.25% of the net asset value of the Fund on the last Business day in each calendar month until 31 July 2005.

The annual rate was afterwards revised as follows:

- 1.25% of the daily NAV of the Fund with effect from 1 August 2005.
- 0.75% of the daily NAV of the Fund with effect from 1 February 2012.

The agreement shall be effective until terminated by either party giving at least ninety days' notice in writing on the Valuation Day falling in March, June, September or December in any year on or after December 1999. The Fund will indemnify the Company against any claim as specified in clause 17.3 of the Investment Management Agreement and to the extent that such claim is not due to breach of duty, negligence, wilful default or liability on the part of the Company.

The investment management income for the year ended 31 March 2015 amounted to USD977,917 (2014: USD721,441).

7. TAXATION

The Company is liable to income tax on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax chargeable on its foreign source income. Capital gains of the Company are exempt from tax in Mauritius.

Reconciliation of the tax expense and accounting profit

	2015	2014
	USD	USD
Profit before tax	**842,956**	597,470
Tax calculated at the rate of 15%	**126,443**	89,620
Tax effect of:		
Allowable expenses	**(188)**	(11)
Non allowable expenses	**58**	41
Foreign tax credit	**(101,050)**	(71,720)
Income tax expense	**25,263**	17,930

Income tax payable

	2015	2014
	USD	USD
At 1 April	**4,324**	10,839
Paid during the year	**(16,270)**	(24,445)
Charge for the year	**25,263**	17,930
At 31 March	**13,317**	4,324

8. OFFICE EQUIPMENT

	2015 USD	2014 USD
Cost		
At 1 April	1,397	1,397
Additions during the year	1,258	-
At 31 March	2,655	1,397
Depreciation		
At 1 April	1,397	1,126
Depreciation charge for the year	385	281
At 31 March	1,782	1,397
Net Book Value		
At 31 March	873	-

9. RECEIVABLES AND PREPAYMENTS

	2015 USD	2014 USD
Amount due from India Advantage Fund Limited (note 14)	94,807	57,163
Prepayments	2,075	2,073
Deposit for office rental	835	1,085
Other receivables	852	852
	98,569	61,173

The amount due from India Advantage Fund Limited is unsecured, interest free and receivable on demand.

10. OTHER PAYABLES

	2015 USD	2014 USD
Administration fees	2,000	1,000
Audit fees	5,175	3,307
Director fees	5,000	5,000
Accounting fees	1,157	525
Miscellaneous Expenses	2,269	-
Office expenses	783	-
Payroll expenses	500	-
	16,884	9,832

11. STATED CAPITAL

	2015 USD	2014 USD
Issued share capital		
4,500 (2014: 4,500) ordinary shares of USD 10 each	45,000	45,000

12. DIVIDEND PAID

During the year ended 31 March 2015, the directors paid dividend of USD375,000 (2014: USD600,000) representing USD83.33 per share (2014: USD133.33 per share).

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair values of financial instruments

Except where otherwise stated, the carrying amount of financial assets and liabilities approximate their fair value.

Associated risks

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk), liquidity risk and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is cash at bank. Interest income from cash and short term deposits may fluctuate in amount, in particular due to changes in market interest rates. In view of the small average balance held in cash and short term deposits, the directors are of the opinion that interest rate changes will not have a material impact on the Company's profit and equity.

Currency risk

The Company's financial assets and liabilities are denominated in USD and therefore it is not exposed to currency risk.

Price risk

The Company's financial assets and liabilities are not traded on any active market and therefore it is not exposed to price risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2015 and 31 March 2014 based on contractual undiscounted payments:

	Less than 3 months	Total	Less than 3 months	Total
	2015	2015	2014	2014
	USD	USD	USD	USD
Other payables	16,884	16,884	9,832	9,832

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when it falls due. The carrying amount of financial assets represents the maximum credit exposure as follows:

	2015	2014
	USD	USD
Receivables	96,494	59,100
Cash and cash equivalents	592,252	172,483
	688,746	231,583

Prepayments amounting to USD2,075 (2014: USD2,073) have not been included in financial assets.

The bank balances are held with regulated financial institutions, thus credit risk is minimal.

14. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. In order to maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid, return capital to shareholders, issue new shares or sell assets to reduce debts.

The Company has external capital requirement imposed by the Financial Services Commission, the Regulator, in that it shall maintain a minimum paid-up and unimpaired stated capital and shareholders' funds of at least Mauritian Rupees 1,000,000 or its equivalent in any currency. At year end, this condition was met. No changes were made in the objectives, policies or processes during the year ended 31 March 2015.

15. RELATED PARTY DISCLOSURES

During the year, the Company transacted with related entities. Details of the nature, volume of transactions and the balances with the entities are as follows:

	2015	2014
	USD	USD
Amount due from India Advantage Fund Limited		
At 1 April	57,163	61,887
Investment management fees	977,917	721,441
Amount received	(940,273)	(726,165)
At 31 March (note 9)	94,807	57,163

One director of the Company namely, Mr Kapildeo Joory, exercises joint control over International Financial Services Limited ("IFS", the Administrator & Secretary) and is deemed to have beneficial interest in the Administration Agreement and the Tax Letter of Engagement between the Company and the Administrator & Secretary.

	2015	2014
	USD	USD
Transactions with International Financial Services Limited		
At 1 April	1,000	2,000
Administrative and secretarial fees for the year	13,500	15,500
Amount paid during the year	(12,500)	(16,500)
At 31 March	2,000	1,000

16. HOLDING AND ULTIMATE HOLDING COMPANIES

The directors consider Birla Sun Life Asset Management Company Limited, a company incorporated in India, as the immediate holding company. The Company is ultimately owned jointly by the Aditya V. Birla Group and Sun Life (India) AMC Investments Inc. incorporated in Singapore and India respectively.

17. EVENTS AFTER THE REPORTING DATE

There have been no material events after the reporting date which would require disclosures or adjustments to the financial statements for the year ended 31 March 2015.