Financial Statement

2016-17

Reliance Asset Management (Mauritius) Limited

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
Telefax +230 406 9988
BRN No. F07000189
Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RELIANCE ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reliance Asset Management (Mauritius) Limited (the Company), which comprise the statement of financial position as at 31 March 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 32.

In our opinion, these financial statements give a true and fair view of the financial position of Reliance Asset Management (Mauritius) Limited as at 31 March 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with 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.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Data, Directors' Report, Corporate Governance Report and Secretary's Certificate. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RELIANCE ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements (continued)

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 judgement 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 the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF RELIANCE ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the directors' 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 auditors' 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 auditors' 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 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.

Other Matter

This report is made solely to the Company's member, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

KPMG
Ebène, Mauritius

Date: **12 April 2017**

Ashish Ramyead
Licensed by FRC

	Note	2017	2016
		USD	USD
REVENUE			
Management fee income	5	721,214	762,998
Redemption exit fee income	5	14,499	4,598
Interest income		38,867	31,432
Other income		6,338	52,540
Foreign exchange revaluation gain		-	28,785
Service charge income	5	62,999	140,803
		843,917	1,021,156
EXPENSES			
Impairment of receivables	14	29,999	369,875
Administrative fees		10,000	10,833
Licence fees		7,087	6,535
Bank charges		3,211	2,709
Audit fees		7,533	9,315
Legal and professional fees		12,139	14,518
Rent		12,102	6,243
Staff expenses		58,699	47,220
Upfront fees		157,434	76,259
Trail fees		204,872	335,531
Other operating expenses		51,314	47,433
Amortisation		635	52
Foreign exchange revaluation loss		357	-
		555,382	926,523
Profit before tax		288,535	94,633
Income tax expense	6	(10,803)	(11,296)
Profit for the year		277,732	83,337
Other comprehensive income		-	-
Total comprehensive income for the year, net of tax		277,732	83,337

The notes on pages 14 to 32 form an integral part of these audited financial statements.

	Note	2017	2016
ASSETS		USD	USD
Non current assets			
Available-for-sale investments	8	1,011	1,010
Intangible assets	7	6,183	3,337
Total non-current assets		7,194	4,347
Current assets			
Fixed deposit		2,312,117	883,715
Other receivables	9	122,166	129,309
Prepayments		18,152	17,726
Cash and cash equivalents		282,781	1,426,158
Total current assets		2,735,216	2,456,908
		2,742,410	2,461,255
EQUITY & LIABILITIES			
Equity			
Stated capital	10	1,960,000	1,960,000
Retained earnings		545,752	268,020
Total equity		2,505,752	2,228,020
Current liabilities			
Amount due to related parties	11	1,234	2,592
Other payables and accruals	12	230,793	226,937
Income tax payable	6	4,631	3,706
Total current liabilities		236,658	233,235
Total equity and liabilities		2,742,410	2,461,255

Approved by the Board of Directors on 12 APR 2017 and signed on its behalf by:

DIRECTOR DIRECTOR

The notes on pages 14 to 32 form an integral part of these audited financial statements.

	Stated capital	Retained earnings	Total
	USD	USD	USD
Balance at 1 April 2015	1,960,000	184,683	2,144,683
Total comprehensive income for the year			
Profit for the year	-	83,337	83,337
Balance at 31 March 2016	1,960,000	268,020	2,228,020
Balance at 1 April 2016	1,960,000	268,020	2,228,020
Total comprehensive income for the year			
Profit for the year	-	277,732	277,732
Balance at 31 March 2017	**1,960,000**	**545,752**	**2,505,752**

The notes on pages 14 to 32 form an integral part of these audited financial statements.

	2017	2016
	USD	USD
Cash flows from operating activities		
Profit before tax	288,535	94,633
Adjustments for:		
Impairment of receivables	29,999	369,875
Amortisation	635	52
Change in other receivables	(22,856)	14,276
Change in prepayments	(426)	2,613
Change in other payables and accruals	3,856	(99,914)
Cash generated from operating activities	299,743	381,535
Income tax paid	(9,878)	(11,935)
Net cash flows generated from operating activities	289,865	369,600
Cash flows from investing activities		
Fixed deposit with financial institution	(1,428,402)	(60,896)
Purchase of computer software	(3,481)	(3,389)
Acquisition of investment	(1)	-
Net cash flows used in investing activities	(1,431,884)	(64,285)
Cash flows from financing activities		
Funds paid to related parties	(1,358)	(23,682)
Net cash flows used in financing activities	(1,358)	(23,682)
Net (decrease)/increase in cash and cash equivalents	(1,143,377)	281,633
Cash and cash equivalents at 1 April	1,426,158	1,144,525
Cash and cash equivalents at 31 March	282,781	1,426,158

The notes on pages 14 to 32 form an integral part of these audited financial statements.

1. REPORTING ENTITY

Reliance Asset Management (Mauritius) Limited (the "Company") was incorporated in Mauritius under the Companies Act 2001 on 27 December 2004 as a private company with limited liability by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The registered office is located at 4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.

The financial statements of the Company for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on the date stamped on page 11.

The main activity of the Company is to provide investment advisory and management services to Emergent India Investments Ltd, Reliance Emergent India Fund Limited and Reliance Emergent India Investments L.P. Reliance Emergent India Investments L.P is still in its start up phase and has not yet started operations.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 12 APR 2017

(b) Basis of measurement

The financial statements have been prepared on going concern basis with the historical cost convention, and incorporate the principal accounting policies set out below.

(c) Functional and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency and all figures are rounded to the nearest dollar, except when otherwise indicated.

(d) Use of estimates and judgement

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 4.

(e) New standards and amendments effective in 2016

The below amendment applied for the first time in 2016 and did not have a material impact on the financial statements of the Company. The nature and the impact of this amendment is described below:

Annual Improvements to IFRSs 2012- 2014 Cycle

The Company has applied the improvement for the first time in these financial statements:

Standard/Interpretation	Effective for accounting period beginning on or after
Disclosure Initiative (Amendments to IAS 1)	1 January 2016

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to of the order of notes, OCI of equity accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and other comprehensive income.

The amendments are effective for annual periods beginning on or after 1 January 2016 and there has been no effect on the Company's financial position, performance or its disclosures.

2. BASIS OF PREPARATION (CONTINUED)

(e) New standards and amendments effective in 2016 (continued)

Standard/Interpretation	Effective for accounting period beginning on or after
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016

The amendment to IFRS 10 Consolidated Financial Statements clarifies which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit and loss. The amendment also modifies the condition in the general consolidation exemption that requires an entity's parent or ultimate parent to prepare consolidated financial statements. The amendment clarifies that this condition is also met where the ultimate parent or any intermediary parent of a parent entity measures subsidiaries at fair value through profit or loss in accordance with IFRS 10 and not only where the ultimate parent or intermediate parent consolidates its subsidiaries.

The amendment to IFRS 12 Disclosure of Interests in Other Entities requires an entity that prepares financial statements in which all its subsidiaries are measured at fair value through profit or loss in accordance with IFRS 10 to make disclosures required by IFRS 12 relating to investment entities.

The amendment to IAS 28 Investments in Associates and Joint Ventures modifies the conditions where an entity need not apply the equity method to its investments in associates or joint ventures to align these to the amended IFRS 10 conditions for not presenting consolidated financial statements. The amendments introduce relief when applying the equity method which permits a non-investment entity investor in an associate or joint venture that is an investment entity to retain the fair value through profit or loss measurement applied by the associate or joint venture to its subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

Except for the changes explained in note 2 (e), the Company has consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

(b) Financial instruments

The Company classifies non-derivative financial assets into available-for-sale financial assets and loans and receivables.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(i) Non-derivative financial assets and financial liabilities - recognition and derecognition (continued)

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

(ii) Non-derivative financial assets – measurement

(a) Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

(b) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument to its carrying amount.

Financial assets that are classified as loans and receivables include other receivables, fixed deposit, cash and cash equivalents and interest receivable.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents are repayable on demand and form an integral part of the Company's cash management.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(iv) Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described overleaf, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial instruments (continued)

(v) Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(c) Impairment

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- Observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Impairment (continued)

Available-for-sale financial assets (continued)

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill and then to reduce the carrying amounts of the other assets on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred. Amortisation is calculated to write off the cost of the intangible assets less their estimated residual value using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The Company's intangible asset is amortised over an estimated useful life of 10 years.

(e) Provisions

A 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 at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises of the expected tax payable or receivable on the taxable income for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Interest income is recognised on a time proportion basis unless collectability is in doubt.

Revenue from services rendered is recognised in the profit or loss when the services are performed.

(h) Expense recognition

All expenses are accounted for in the profit or loss on an accruals basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) New standards,interpretations and amendments to published standards

Disclosure Initiative (Amendments to IAS 7)

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted. The directors anticipate that these IFRSs will be applied on their effective dates in the future periods. The directors The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Company and will provide more information in the year ending 31 March 2018 financial statements.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue - Barter of Transactions Involving Advertising Services

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Company and will provide more information in the year ending 31 March 2018 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model. The impact has not yet been estimated.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised. Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) New standards,interpretations and amendments to published standards (continued)

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12) (continued)

Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

The directors anticipate that these IFRSs will be applied on their effective dates in the future periods. The directors have not yet assessed the potential impact of the adoption of these amendments.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the process of applying the accounting policies which are described in note 3, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Functional currency

The determination of the 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 United States Dollar.

Measurements of fair values

The Company's accounting policy on fair value measurements are described in note 3 (b).

The directors consider that the fair value of the available-for-sale investment is equal to the cost of investment as explained in note 8. The Company is entitled to receive notice of and to attend Meeting of Shareholders of the investee, and shall be entitled to cast one vote for all Management shares so held with respect to all matters subject to the approval of the Shareholders under the Mauritius Companies Act 2001. Management shares shall carry no dividend rights and shall not be redeemable.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

-Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

-Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly (i.e as prices) or indirectly.(i.e derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable or market data (unobservable inputs).

5. SIGNIFICANT AGREEMENTS

Investment Management Agreement

The Company has entered into an Investment Management Agreement with Reliance Emergent India Fund Limited (the "Fund") of PO Box 309 GT, George Town, Ugland House, South Church Street, Grand Cayman, Cayman Islands and Emergent India Investments Limited (the "Master Fund") of 4th Floor, 19 Bank street, Cybercity, Ebène 72201, Mauritius whereby the Company has been appointed to manage and invest on a discretionary basis the portfolio of the Fund and the Master Fund.

5. SIGNIFICANT AGREEMENTS (CONTINUED)

Investment Management Agreement (continued)

Management fee income

The investment management fee at the aggregate rate of 1.75 (including Scheme management fee) per cent per annum of Net Asset Value of the Emergent India Investments Ltd Class B Share is payable to the Investment Manager. The Investment Manager is also entitled to reasonable out of pocket expenses incurred in the performance of its duties. The investment management fee may be reviewed by the Board from time to time.

Management Fees Class 1

The Investment Manager is entitled to receive from the Fund such Management Fee with respect to the Reliance Emergent India Fund Limited Class 1 Shares as may be determined by the Investment Manager at any time at its sole discretion provided that, when that Management Fee is aggregated with the fee payable to the Investment Manager to the Scheme for the same period of time, it never exceeds 1.25 per cent of the Net Asset Value of the Class 1 Shares (before deduction of any Investment Management Fee and before deduction for any accrued Performance Fee) calculated on a pro-rata daily basis and accrued on each Valuation Day but payable monthly in arrears.

Management Fees Class 2

The Investment Manager is entitled to receive from the Fund such Management Fee with respect to the Reliance Emergent India Fund Limited Class 2 Shares as may be determined by the Investment Manager at any time at its sole discretion provided that, when that Management Fee is aggregated with the fee payable to the Investment Manager to the Scheme for the same period of time, it never exceeds 1.75 per cent of the Net Asset Value of the Class 2 Shares (before deduction of any Investment Management Fee) calculated on a pro-rata daily basis and accrued on each Valuation Day but payable monthly in arrears.

"Contingent Deferred Sales Charge" (CDSC)

The CDSC on Class B Series 1 Shares is payable on redemption of Emergent India Investments Ltd Class B Series 1 Shares, before the expiry of a period of one year from the date of subscription in respect of such Class B Series 1 Shares. CDSC is equal to 2% per annum of the applicable Net Asset Value, of Class B Series 1 Shares for the period from the redemption date to the maximum period (one year from the initial date of investment) to which CDSC is applicable.

Service Charge income

Ltd Class B Series 1 shares is deducted from the Net Asset Value and paid to the Investment Manager to compensate the Distributors. This service charge is only chargeable to Class B Series 1 shares during the period of one year from date of subscription.

Redemption exit fee income

A redemption fee of 2 per cent is charged to Emergent India Investment Limited Class B Series 1 Shareholders in respect of any Emergent India Investment Ltd Class B Series 1 Shares redeemed within a period of 1 year of the issue of such Class B Series 1 Shares. The Redemption fee accrues to the Investment Manager.

Class 1 Shares Performance Fee

For each Calculation Period, the performance fee in respect of each Reliance Emergent India Fund Limited Class 1 Share will be equal to 15 per cent of the appreciation in the Net Asset Value per Class 1 Share during the Calculation Period above the Base Net Asset Value per Share of that Class adjusted for a non-cumulative annualised 15 per cent Hurdle Rate.

5. SIGNIFICANT AGREEMENTS (CONTINUED)

Limited Partnership Agreement

The Company has entered into a Limited Partnership Agreement in relation to Reliance Emergent India Fund L.P. (the "Partnership") of PO Box 309 GT, George Town, Ugland House, South Church Street, Grand Cayman, Cayman Islands whereby the Company has been appointed as General Partner of the Partnership.

Administration and Secretary Agreement

Apex Fund Services (Mauritius) Limited has been appointed to provide various administrative services to the Company.

6. INCOME TAX

The Company, being the holder of a Mauritian Category 1, GBL licence, is liable to income tax at a rate of 15% on its profit as adjusted for tax purposes. It is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritian tax chargeable on its foreign source income, thus reducing its maximum effective tax to 3%.

	2017 USD	2016 USD
Current tax expense	10,803	11,296
Reconciliation of effective taxation		
Profit before tax	288,535	94,633
Income tax at 15%	43,280	14,195
Exempt income	(5,831)	(4,715)
Non-taxable income	-	(4,318)
Non allowable expenses	13,155	55,489
Foreign tax credit	(40,484)	(48,523)
Underpovision/(over-provision) from last financial year	683	(832)
Income tax expense	10,803	11,296

6. INCOME TAX (CONTINUED)

Reconciliation of income tax liability

	2017	2016
	USD	USD
Opening balance as at 1 April	3,706	4,345
Tax expense during the year recognised in profit or loss	10,803	11,296
Payment during the year	(9,878)	(11,935)
Closing balance as at 31 March	4,631	3,706

7. INTANGIBLE ASSETS

Software

	2017	2016
	USD	USD
Cost		
Balance at 1 April	3,389	-
Acquisition - cash	3,481	3,389
Cost at 31 March	6,870	3,389
Accumulated amortisation	(687)	(52)
Carrying amount as at 31 March	6,183	3,337

The computer software is amortised at a rate of 10% on a straight-line basis. Charge for the year amount to USD 635 (2016: USD 52).
There is no contractual commitment for the purchase of any new intangible asset.

8. AVAILABLE- FOR-SALE INVESTMENTS

	2017	2016
	USD	USD
	1,011	1,010

Name of company	Country of incorporation	Type of instrument held	Number of shares	% holding	USD
Emergent India Investments Ltd	Mauritius	Management Shares	10	100%	10
Reliance Emergent India Fund Limited	Cayman Islands	Management Shares	1,000	100%	1,000
Teracom Ltd	India	Ordinary shares	800,000	5.45%	1
					1,011

8. AVAILABLE- FOR-SALE INVESTMENTS (CONTINUED)

Emergent India Investments Ltd and Reliance Emergent India Fund Limited

The directors are of the opinion that the cost is the best estimate of the fair value of the available-for-sale investment as at 31 March 2017. The shares are not redeemable, confers to the holders voting rights in any members' meeting and shall not be entitled to distributions. On winding up of the investee company, the Company shall be entitled to receive its paid up capital only. The Directors consider the nominal amount of the Management Shares to approximate their fair values. The Company's exposure from holding the above Management Shares is the management fee income of **USD 721,214** (2016: USD 762,998) it has earned. Based on the above, the Company has no control on Emergent India Investments Ltd and Reliance Emergent India Fund Limited.

Teracom Limited

The Company has acquired from India Equity Growth Fund Investors Limited all rights, title and interest in and to shares in Teracom Ltd at a consideration price of USD 1.

9. OTHER RECEIVABLES

	2017	2016
	USD	USD
Management fee receivable (b)	**67,267**	63,589
Service charge fee receivable	**7,676**	8,151
Placement fee receivable	**1,000**	769
Receivable from Feeder Fund	**5,000**	12,300
Other receivables	**41,223**	14,500
Receivables from related party (a)	**-**	30,000
	122,166	129,309

(a) The amounts due from related party are unsecured, interest free and repayable on demand. During the year, India Equity Growth Fund Investors Limited transferred all its rights and interest in Teracom Limited to the Company at a consideration price of USD 1 only. The Directors have recognised an impairment loss of USD 29,999 on the receivable from related party further to an assessment of the recoverability of the remaining amount. Further details are set out in note 14.

(b) Management fees are due from Emergent India Investments Ltd and Reliance Emergent India Fund Limited.

10. STATED CAPITAL

	2017	2016
	USD	USD
Issued and Fully paid		
At 1 April	**1,960,000**	1,960,000
Additions	**-**	-
Balance at 31 March	**1,960,000**	1,960,000
	No of shares	No of shares
Ordinary shares of USD 10 each	**196,000**	196,000

Each Ordinary Share has a par value of USD 10 and is redeemable at the option of the Company. Each Ordinary Share entitles its holder to one vote on any matter to be considered by the shareholders and have a right to receive distribution.

The Company should have a minimum unimpaired capital of at least MUR 1,000,000 (approximately USD 28,000) as per Securities Act 2005 and this requirement was met as at the financial year end. The Company is also in compliance with all requirements as per section 14 of the Financial services Act 2007 and Financal Services (consolidated licensing and Fees) Rules 2008 to hold a Distribution of Financial Product Licence.

11. AMOUNT DUE TO RELATED PARTIES

	2017	2016
	USD	USD
At 1 April,	2,592	26,274
Advances paid during the year	(1,358)	(23,682)
	1,234	2,592

The amount due to related parties is unsecured, interest free and repayable on demand.

12. OTHER PAYABLES AND ACCRUALS

	2017	2016
	USD	USD
Provision for audit fees, placement fees & other expenses	139,119	46,555
Trail fees accrued	91,674	180,382
	230,793	226,937

13. HOLDING COMPANY

The Directors regard Reliance Nippon Life Asset Management Limited (formerly known as Reliance Capital Asset Management Limited), a company incorporated in India as the holding company.

14. RELATED PARTY DISCLOSURES

During the year ended 31 March 2017, the Company transacted with related parties. Details of the nature, volume of transactions and the balances with the entities are as follows:

			2017	
Name of related party	Relationship	Nature of transaction	Transactions for the year	Amount Receivable / (payable)
			USD	USD
Apex Fund Services (Mauritius) Ltd	Management Company	Annual fees	10,000	-
India Equity Growth Fund Investors Limited	Group company	Impairment	(29,999)	-
Emergent India Investments Limited	Master Fund	Management fees	667,678	62,252
Emergent India Investments Limited	Master Fund	Service charge	62,999	7,676
Emergent India Investments Limited	Master Fund	Redemption exit fee	14,499	-
Reliance Emergent India Fund Limited	Feeder Fund	Management fees	53,536	5,015

14. RELATED PARTY DISCLOSURES (CONTINUED)

			2017	
Name of related party	Relationship	Nature of transaction	Transactions for the year	Amount Receivable / (payable)
			USD	USD
Reliance Emergent India Fund Limited	Feeder Fund	Advance given	(17,300)	5,000
Reliance Emergent India Fund Limited	Feeder Fund	Other expenses payable	(1,358)	(1,234)

The Directors have made an assessment of the recoverability of the amount due by India Equity Growth Fund Investors Limited. The latter has transferred all its shares held in Teracom, into the name of the Company at a consideration of USD 1 only. The remaining receivable of USD 29,999 has been impaired during the year.

			2016	
Name of related party	Relationship	Nature of transaction	Transactions for the year	Amount Receivable / (payable)
Apex Fund Services (Mauritius) Ltd	Management Company	Annual fees	13,833	7,500
India Equity Growth Fund Investors Limited	Group Company	Advance given	(369,875)	30,000
Emergent India Investments Limited	Master Fund	Management fees	708,578	51,869
Emergent India Investments Limited	Master Fund	Service charge	140,803	8,151
Emergent India Investments Limited	Master Fund	Redemption exit fee	4,598	-
Reliance Emergent India Fund Limited	Feeder Fund	Management fees	54,420	11,720
Reliance Emergent India Fund Limited	Feeder Fund	Advance given	-	12,300
Reliance Emergent India Fund Limited	Feeder Fund	Other expenses payable	(23,682)	(2,592)

15. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The nature and extent of the financial instruments outstanding at reporting date and the risk management policies employed by the Company are discussed below.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from its operating activities (primarily for trade receivables), fixed deposits and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date was as follows:

	2017	2016
	USD	USD
Fixed deposit with financial institution	2,312,117	883,715
Other receivables	152,165	499,184
Cash and cash equivalents	282,781	1,426,158
Less: impairment of receivables recognised during the year	(29,999)	(369,875)
	2,717,064	2,439,182

A concentration of credit risk exists in that all of the Company's cash and cash equivalents are held by its banks. The Directors do not anticipate any losses as a result of this concentration. The management fees currently outstanding are expected to be received within one month of the financial year end of the Company.

The credit ratings of the banks with which the fixed deposits have been placed are as follows:-

	Agency	Rating
Bank of Baroda	Moody's	Baa3
Standard Chartered Bank Mauritius Limited	Moody's	Aa3

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 illustrates the maturity analysis of the Company's financial liabilities based on their undiscounted contractual maturities.

31 March 2017	**Carrying amount**	**Due on demand**	**Due within 3 months**	**Total**
	USD	**USD**	**USD**	**USD**
Amount due to related parties	**1,234**	**1,234**	**-**	**1,234**
Other payables and accruals	**230,793**	**-**	**230,793**	**230,793**
Total liabilities	**232,027**	**1,234**	**230,793**	**232,027**

31 March 2016	**Carrying amount**	**Due on demand**	**Due within 3 months**	**Total**
	USD	USD	USD	USD
Amount due to related parties	2,592	2,592	-	2,592
Other payables and accrual	226,937	-	226,937	226,937
Total liabilities	229,529	2,592	226,937	229,529

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. At year end, the Company does not have any significant interest risk.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company earns interest income on fixed deposits at non-fluctuating rates of interest, hence no exposure to interest rate risk. The Company's other financial assets and liabilities are non-interest bearing and are not subject to interest rate risk. Accordingly, no interest rate sensitivity analysis is presented.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

Currency risk is the risk that the value of a financial instrument denominated in a currency other than the reporting currency may fluctuate due to changes in foreign currency exchange rate between the reporting currency and the currency in which such instrument is denominated.

The currency profile of the financial assets and liabilities is summarised as follows:

	Financial assets 2017	**Financial liabilities 2017**	Financial assets 2016	Financial liabilities 2016
	USD	**USD**	USD	USD
MUR	**933,998**	**-**	920,279	-
USD	**1,784,077**	**232,027**	1,519,913	229,529
	2,718,075	**232,027**	2,440,192	229,529

Intangible assets of **USD 6,183** (2016: USD 3,337) and prepayments of **USD 18,152** (2016: USD 17,726) have not been included as financial assets and tax liability of **USD 4,631** (2016: USD 3,706) has not been included as financial liability.

Sensitivity analysis

At 31 March 2017 and 2016, had USD weakened/strengthened by 5% in relation to MUR, with all other variables held constant, profit after tax would have increased/(decreased) by the amount shown below.

	2017	2016
	USD	USD
MUR impact of a weakening of USD by 5%	**47,683**	48,436
MUR impact of an appreciation of USD by 5%	**(43,142)**	(43,823)

16. ACCOUNTING CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including the levels in the fair value hierarchy.

31 March 2017

	Carrying amount				Fair Value			
	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value								
Other receivables	122,166	-	-	122,166	-	-	122,166	122,166
Fixed deposits	2,312,117	-	-	2,312,117	-	2,312,117	-	2,312,117
Cash and cash equivalents	282,781	-	-	282,781	-	282,781	-	282,781
Financial assets measured at fair value								
Available-for-sale investments*	-	1,011	-	1,011	-	-	1,011	1,011
Financial liabilities not measured at fair value								
Other payables and accruals	-	-	230,793	230,793	-	230,793	-	230,793
Amount due to related parties	-	-	1,234	1,234	-	1,234	-	1,234

* During the year, the Company has invested in Teracom Limited at a consideration of USD 1, explaining the movement in the level 3 financial instruments measured at fair value.

16. ACCOUNTING CLASSIFICATIONS AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

31 March 2016

	Carrying amount				Fair Value			
	Loans and receivables	Available-for-sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value								
Other receivables	129,309	-	-	129,309	-	-	129,309	129,309
Fixed deposits	883,715	-	-	883,715	-	883,715	-	883,715
Cash and cash equivalents	1,426,158	-	-	1,426,158	-	1,426,158	-	1,426,158
Financial assets measured at fair value								
Available-for-sale investments	-	1,010	-	1,010	-	-	1,010	1,010
Financial liabilities not measured at fair value								
Other payables and accruals	-	-	226,937	226,937	-	226,937	-	226,937
Amount due to related parties	-	-	2,592	2,592	-	2,592	-	2,592

17. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders.

The Company has, in its capacity as a CIS Manager, externally been imposed capital requirements by the regulator in that it should maintain a minimum unimpaired stated capital of at least MUR 1,000,000. In its capacity as an Investment Adviser (unrestricted), the Company is required to maintain a minimum unimpaired stated capital of at least MUR 600,000. At 31 March 2017, both requirements have been met. There is no minimum unimpaired stated capital requirement under the "Distributor of Financial Products" licence held by the Company.

18. EVENTS AFTER REPORTING DATE

There are no other significant events after reporting date which need disclosures in or amendments to the financial statements for the year ended 31 March 2017.