UPL CORPORATION LIMITED
(Formerly known as BIO-WIN CORPORATION LIMITED)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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		Date of appointment:	*Date of resignation:*
DIRECTORS	: Gyaneshwarnath **Gowrea**	12-Jan-09	-
	Uttam **Danayah**	02-Feb-12	-
	Manish Ramsunder **Tripathi**	-	23-Sep-16
	Subhash Gandhimathinathan **Pillai**	-	30-Aug-16
	Sonia **Lutchmiah**	01-Mar-16	-
	Jimmy Erach **Dadrewalla**	30-Aug-16	-

ADMINISTRATOR & CORPORATE SECRETARY : **CIM Corporate Services Ltd**
Les Cascades Building
33, Edith Cavell Street
Port Louis
Mauritius

REGISTERED & BUSINESS OFFICE ADDRESS : **Newport Building**
Louis Pasteur Street
Port Louis
Mauritius

BANKERS : Barclays Bank Mauritius Limited
Deutsche Bank (Mauritius) Limited
SBM (Mauritius) Limited
Barclays Private Clients International Limited, Isle of Man
Citibank NA, Hong Kong Branch

AUDITORS : **Crowe Horwath ATA**
(Formerly Crowe Horwath (Mur) Co.)
Member Crowe Horwath International
2nd Floor, Ebene Esplanade
24, Bank Street, Cybercity
Ebene 72201
Mauritius

The directors present their commentary, together with the audited financial statements of **UPL CORPORATION LIMITED** (the "Company") for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The Company was incorporated on 30 July 1993 and its main activities are international trading, investment holding and providing management and financial support to group companies.

RESULTS AND DIVIDENDS

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

The directors take note that an interim dividend of **USD 32 million** was paid during the year (2016: USD 34 million). The directors do not recommend the payment of any further dividend.

STATEMENT OF THE 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, changes in equity 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 confirm 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 Mauritius Companies Act 2001.

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.

AUDITORS

The auditors, **Crowe Horwath ATA**, have indicated their willingness to continue in office until conclusion of the next annual meeting.

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UPL CORPORATION LIMITED

CERTIFICATE FROM THE SECRETARY
(SECTION 166 (D) OF THE COMPANIES ACT 2001)

We certify, to the best of our knowledge and belief, that **UPL CORPORATION LIMITED** (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 for the year ended 31 March 2017.

....

Authorised signatory

Date: 25 April 2017

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED (FORMERLY KNOWN AS BIO-WIN CORPORATION LIMITED)

Opinion

We have audited the financial statements of **UPL CORPORATION 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 ended 31 March 2017 as set out on pages 6 to 9 and a summary of significant accounting policies and other explanatory information as set out on pages 10 to 31.

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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 comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius and we have fulfilled other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and in complying with the Mauritius Companies Act 2001 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Crowe Horwath

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF UPL CORPORATION LIMITED
(FORMERLY KNOWN AS BIO-WIN CORPORATION LIMITED)

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA 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.

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' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of the accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

In forming out opinion, we report as follows:

- We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- We have obtained all the information and explanations that we required; and
- Proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of this report

This report is made solely for the Company's shareholders, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in our 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 shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath ATA
Crowe Horwath ATA
Public Accountants

Vijay Bohorun, FCCA
Signing Partner
Licensed by FRC

Date: **25 APR 2017**

Ebene, Mauritius

UPL CORPORATION LIMITED

(Formerly known as BIO-WIN CORPORATION LIMITED)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017	2016
ASSETS		**USD'000**	USD'000
Non-current assets			
Intangible assets	*5*	**2,247**	2,805
Property, plant and equipment	*6*	**45**	5
Investment in subsidiaries	*7*	**614,108**	325,428
Available for sale financial asset	*8*	**-**	995
Investment in joint venture	*9*	**329**	-
Convertible loan notes	*10*	**5,000**	-
Trade and other receivables	*11*	**146,367**	223,980
Total non-current assets		**768,096**	553,213
Current assets			
Inventories	*29*	**3,246**	6,253
Trade and other receivables	*11*	**454,978**	183,789
Cash and cash equivalents	*21*	**117,809**	9,773
Total current assets		**576,033**	199,815
TOTAL ASSETS		**1,344,129**	753,028
EQUITY AND LIABILITIES			
Equity			
Stated capital	*12*	**13,600**	13,600
Translation reserve	*13*	**(31,510)**	(91,634)
Retained earnings		**150,716**	132,582
Total equity		**132,806**	.54,548
Non-current liability			
Bonds	*14*	**494,992**	-
Borrowings	*15*	**549,709**	508,463
Trade and other payables	*16*	**15,623**	20,028
		1,060,324	528,491
Current liabilities			
Borrowings	*15*	**44,500**	96,000
Trade and other payables	*16*	**105,819**	73,063
Tax liability	*17*	**680**	926
Total current liabilities		**150,999**	169,989
Total liabilities		**1,211,323**	698,480
TOTAL EQUITY AND LIABILITIES		**1,344,129**	753,028

These financial statements have been approved and authorised for issue by the Board of directors on 25 April 2017 and signed on its behalf by:

Uttam Danayah

Sonia ~~Lutchmiah~~

The notes on pages 10 to 31 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5.

UPL CORPORATION LIMITED

(Formerly known as BIO-WIN CORPORATION LIMITED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017	2016
		USD'000	USD'000
Turnover		**371,850**	182,241
Cost of sales	*18*	**(327,840)**	(152,265)
Gross profit		**44,010**	29,976
Other income	*19*	**59,324**	48,282
Administrative expenses	*27*	**(14,582)**	(10,859)
Selling and distribution expenses	*28*	**(16,537)**	(1,298)
Gain / (loss) on disposal of investment	*8*	**2,238**	(21)
Profit from operation		**74,453**	66,080
Finance costs	*20*	**(23,856)**	(15,578)
Profit before taxation		**50,597**	50,502
Taxation (15%)	*17*	**(7,590)**	(7,575)
Tax credit	*17*	**3,953**	3,878
Other adjustments	*17*	**3,174**	2,727
Net tax on profit on ordinary activities		**(463)**	(970)
Profit for the year after tax		**50,134**	49,532
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Currency translation differences	*13*	**60,154**	1,134
Items that may be reclassified subsequently to profit or loss		**-**	-
Total comprehensive income for the year		**110,288**	50,666

The notes on pages 10 to 31 form an integral part of these financial statements.

Independent auditors' report on pages 4 and 5.

UPL CORPORATION LIMITED
(Formerly known as BIO-WIN CORPORATION LIMITED)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital	Translation reserve	Retained earnings	Total equity
	USD'000	USD'000	USD'000	USD'000
At 1 April 2015	83,600	(92,768)	119,150	109,982
Translation reserve:				
Arising during the year (note 13)	-	1,134	-	1,134
Share buy back	(70,000)	-	-	(70,000)
Share premium on share buy back	-	-	(2,100)	(2,100)
Profit for the year	-	-	49,532	49,532
Dividend paid	-	-	(34,000)	(34,000)
At 31 March 2016	13,600	(91,634)	132,582	54,548
Translation reserve:				
Arising during the year (note 13)	-	**60,124**	-	**60,124**
Profit for the year	-	-	**50,134**	**50,134**
Dividend paid	-	-	**(32,000)**	**(32,000)**
At 31 March 2017	**13,600**	**(31,510)**	**150,716**	**132,806**

The notes on pages 10 to 31 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5.

UPL CORPORATION LIMITED
(Formerly known as BIO-WIN CORPORATION LIMITED)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017	2016
		USD'000	USD'000
Cash flows from operating activities			
Profit before taxation		**50,597**	50,502
Adjustments for:			
Dividend income		**(15,000)**	(22,000)
Amortisation of intangible assets	5	**1,553**	1,109
Amortisation of bonds		**554**	-
Depreciation	6	**3**	1
(Gain)/loss on disposal of investment	8	**(2,238)**	21
Operating profit before working capital changes		**35,469**	29,633
Decrease in inventories		**3,007**	14,006
(Increase) / decrease in trade and other receivables		**(133,450)**	38,284
Increase in trade and other payables		**28,319**	42,386
Cash (absorbed in) / generated from operations		**(66,655)**	124,309
Tax paid		**(678)**	(103)
Net cash (used in) / from operating activities		**(67,333)**	124,206
Cash flows from investing activities			
Acquisition of intangible assets	5	**(995)**	(2,444)
Acquisition of property plant and equipment	6	**(43)**	(3)
Investment in subsidiaries	7	**(288,680)**	(96,860)
Investment in joint ventures	9	**(329)**	-
Investment in convertible loan notes	10	**(5,000)**	-
Dividend received		**15,000**	22,000
Proceeds from disposal of investment	8	**3,233**	10
Net cash used in investing activities		**(276,814)**	(77,297)
Cash flows from financing activities			
Net proceeds from issuance of bonds	14	**496,970**	-
Bonds transaction cost		**(2,532)**	-
Proceeds from borrowings		**174,838**	317,430
Repayment of borrowings		**(183,763)**	(254,544)
Dividend paid		**(32,000)**	(34,000)
Payment on share buy back		**-**	(70,000)
Net cash from / (used in) financing activities		**453,513**	(41,114)
Net increase in cash and cash equivalents		**109,366**	5,795
Cash and cash equivalents at start of the year		**9,773**	1,596
Effect of exchange rates changes		**(1,330)**	**2,382**
Cash and cash equivalents at end of the year	21	117,809	9,773

The notes on pages 10 to 31 form an integral part of these financial statements.
Independent auditors' report on pages 4 and 5.

1 REPORTING ENTITY

UPL CORPORATION LIMITED (the "Company") which was formerly known as BIO-WIN CORPORATION LIMITED was incorporated in Mauritius, under the Mauritius Companies Act 1984, now governed by the Mauritius Companies Act 2001, as a private company on 30 July 1993 with limited liability by shares and subsequently, on 26 September 2016 , it was converted into a public company and issued 3.25% senior notes due 2021, which was listed on the Singapore stock exchange (SGX), effective 14 October 2016. The Company's registered office address is at Newport Building, Louis Pasteur, Port Louis, Mauritius. The Company's main activities are international trading, investment holding, providing management and financial support to group companies.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with and comply with the International Financial Reporting Standards ("IFRS"), as modified by exemption provided under IFRS 10. IFRS comprises of standards and interpretations approved by the International Accounting Standards Board (IASB), and International Accounting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) approved by the International Accounting Standards Committee (IASC) that remain in effect.

The financial statements were authorised for issue by the Board of directors on 25 April 2017.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States dollar ("USD"), which is the Company's functional and presentation

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of 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 accounting estimates are recognised in the year in which the estimates are revised and in any future period affected.

The following are the significant management judgements made by the directors:

(i) Impairment of available-for-sale financial assets

The Company follows the guidance of IAS 39 on determining when an investment is other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

2 BASIS OF PREPARATION (Continued)

(d) Use of estimates and judgements (Continued)

(ii) 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(c), the directors have considered those factors therein and have determined that the functional currency of the Company is the United States dollar ("USD").

(iii) Impairment of non financial assets

In assessing whether a full impairment test is required for the investment in the subsidiaries, the Company has considered whether it has recognised a dividend from the investment and evidence is available that:

• the carrying amount of the investments in the separate financial statements exceeds the carrying amount in the financial statements of the net assets of the subsidiaries; or
• the dividend exceeds the total comprehensive income of the subsidiaries in the period in which the dividend is declared.

The directors have noted that the carrying amount of the investment in the separate financial statements is lower than the carrying amount of the net assets of the subsidiaries. Therefore, no provision of impairment has been made to the investments during the year under review.

(iv) Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss-measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in equity - is removed from equity and recognised in profit or loss.

If the fair value of a previously impaired debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in the statement of comprehensive income.

(v) Non-consolidation

The Company has taken exemption for non-consolidation available under paragraph 4(a) of International Financial Reporting Standard 10 (IFRS 10) and also not recognised its investment in the joint venture using equity method as required by International Accounting Standard 28 (IAS 28) as its parent company which is a listed company in India, prepares consolidated financial statements which are available to the public and which are presented in accordance with Ind AS which is equivalent to IFRS. The financial statements are therefore separate financial statements which contain information on the Company as an individual company and not financial information as the parent of a group.

(e) Changes in accounting policies

There have been no major changes in the Company's accounting policies for the year under review.

3 SUMMARY OF 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) Investment in subsidiaries

Subsidiary undertakings are those entities in which the Company has control if all of the following elements are present:

(i) power over the investee;
(ii) exposure to variable returns from the investee, and
(iii) the ability of the investor to use its power to affect those variable returns.

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

(i) The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights;
(ii) Substantive potential voting rights held by the Company and by other parties;
(iii) Other contractual arrangements; and
(iv) Historic patterns in voting attendance.

Investment in subsidiary is shown at cost, less impairment. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(b) Investment in joint venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the financial statements.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other

The carrying amount of equity-accounted investments is tested for impairment annually.

Unrealised gains on transactions between the Company and the joint ventures are eliminated to the extent of the Company's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial instruments

(i) Financial assets

(a) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the reporting year.

Initial measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Subsequent measurement

Available for sale financial assets are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any impairment.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides funds, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets when maturity is within twelve months of reporting period or non-current assets for maturities greater than twelve months. Other receivables are stated at the principal amount, net of any allowance for collectible amount.

(c) Cash and cash equivalents

Cash comprises of cash at bank and cash in hand. 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.

(ii) Financial liabilities

(a) Trade and other payables

Trade and other payables are stated at their nominal value.

(b) Bonds- Senior Notes

Bonds are recognised at value being their issue proceeds net of transaction costs incurred.
Bonds are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(c) Borrowings

Borrowings are recognised at value being their issue proceeds net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Intangible assets

Know-how and product registration data, shown at historical costs have a finite life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method over the estimated useful life, that is 5 years.

(e) Property, plant and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is calculated on a straight line basis over the assets estimated useful life, that is 4 years for computer and equipments and 5 years for furnitures.

(f) Deferred income tax

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

However, if the deferred tax arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred tax is determined using tax rates that have been enacted by the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

(g) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency").The financial statements of the Company are presented in United States dollar (USD), which is the functional currency of the Company.

Management has determined the functional currency of the Company to be USD. In making this judgement, management evaluates among other factors, the regulatory and competitive environment, as well as the economic environment in which the financial assets of the Company are invested and in particular, the economic environment of the investors. The directors have adopted USD as the functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairment losses (if any) are recognised as an expense in the profit or loss.

(i) Related parties

Related parties are individuals and companies where the individuals or companies have the ability directly or indirectly, to control the other party or exercise significant influence over the other party making operating and financial decisions, or vice versa.

(j) Revenue recognition

Dividend income is recognised when shareholders' right to receive payment is established.

Interest income is recognised as it accrues, unless collectability is in doubt.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyers.

Management fees, commission income, licence fees, royalty income and other income are recognised on an accrual basis.

(k) Expense recognition

All expenses are accounted for in profit or loss on an accrual basis

(l) Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be estimated reliably.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value.

(n) Equity

Equity consists of stated capital and retained earnings.

Stated capital represents the proceeds received and in consideration for which, ordinary shares were issued.

Retained earnings include all current and prior year results as disclosed in the statement of profit or loss and other comprehensive income.

(o) ***Offsetting financial instrument***

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

(i) Application of new and revised International Financial Reporting Standards (IFRS)

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Company has applied a number of relevant amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for annual period beginning on or after 1 April 2016.

Amendment to IAS 1 Disclosure Initiative

The Company has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income in associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Company and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or Companying of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The Company has applied these amendments for first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-bases depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(i) Application of new and revised International Financial Reporting Standards (IFRS) (Continued)

Annual improvements to IFRSs 2012-2014 Cycle

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IFRS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no effect on the Company's financial statements.

New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- IFRS 9 - Financial Instruments (2)
- IFRS 15 - Revenue from Contracts with Customers (and the related Clarifications) (2)
- IFRS 16 - Leases (3)
- Amendments to IFRS 2 - Classification and Measurement of share based payment Transactions (2)
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)
- Amendments to IAS 7 - Disclosure Initiative (1)
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (1)

(1). Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

(2). Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

(3). Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

(4). Effective for annual periods beginning on or after a date to be determined.

The amendments apply retrospectively for annual periods beginning on or after 1 April 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

5 INTANGIBLE ASSETS

	2017	2016
	USD'000	USD'000
COST:		
At 1 April	**13,243**	10,799
Additions during the year	**995**	2,444
At 31 March	**14,238**	13,243
AMORTISATION		
At 1 April	**10,438**	9,329
Charge for the year	**1,553**	1,109
At 31 March	**11,991**	10,438
NET BOOK VALUE		
At 31 March	**2,247**	2,805

Intangible assets consist of know-how and product registration data, shown at historical costs, have a finite life and are carried at cost less accumulated amortisation. During the year ended 31 March 2017, expenses incurred in relation to Napromide Registration were capitalised by the Company. The directors are of the opinion that the carrying value of the above intangible asset is fairly stated at cost less amortisation and has not suffered any impairment in value.

6 PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	USD'000	USD'000
COST:		
At 1 April	**10**	7
Additions during the year	**43**	3
At 31 March	**53**	10
DEPRECIATION		
At 1 April	**5**	4
Charge for the year	**3**	1
At 31 March	**8**	5
NET BOOK VALUE		
At 31 March	**45**	5

During the year ended 31 March 2017, the Company acquired furniture and fittings amounting to USD 40 thousand and computer equipments for USD 3 thousand.

7 INVESTMENT IN SUBSIDIARIES

	2017	2016
	USD'000	USD'000
Investments - Unquoted		
At 1 April	**325,428**	213,578
Additions	**288,680**	111,881
Disposal	**-**	(31)
At 31 March	**614,108**	325,428

Details of the investments held in the subsidiaries are as follows:

Name of companies	**Country of incorporation**	**Type of shares held**	**Number of shares held**	**% holding 2017**	**% holding 2016**
UPL Europe Limited	United Kingdom	Ordinary	35,297,605	100	100
		Preference	19,812,277	100	100
UPL Australia Limited	Australia	Ordinary	100,000	100	100
UPL Agro SA DE CV	Mexico	Ordinary	8,871	100	100
UPL Limited	Hong Kong	Ordinary	10,000	100	100

7 INVESTMENT IN SUBSIDIARIES (Continued)

Name of companies	Country of incorporation	Type of shares held	Number of shares held	% holding 2017	% holding 2016
United Phosphorus do Brasil Ltd	Brazil	Ordinary	-	-	99
UPL do Brasil S.A.	Brazil	Ordinary	436,245	99	-
PT.UPL Indonesia	Indonesia	Ordinary	480,396	49	49
PT Catur Agrodaya Mandiri, Indonesia	Indonesia	Ordinary	141,000	93.38	93.38
UPL Limited Korea	Korea	Ordinary	138,984	99	99
UPL Vietnam Co. Ltd	Vietnam	Ordinary	No par value	100	100
UPL Colombia SAS	Colombia	Ordinary	322,702,696	5.5293	5.5293
UPL Limited, Japan	Japan	Ordinary	14,500	100	100
Decco Worldwide Post-Harvest Holdings Cooperatief U.A.	Netherlands	Ordinary	Member*	99.99	99.99
United Phosphorus Holdings Cooperatief U.A.	Netherlands	Ordinary	Member*	99.90	99.90
UPL Limited	Mauritius	Ordinary	305,001	100	100
United Phosphorus Cayman Limited	Cayman	Ordinary	1	100	100
Advanta Seed International	Mauritius	Ordinary	1,100,000	100	-
UPL New Zealand Limited	New Zealand	Ordinary	100	100	100

During the year ended 31 March 2017, United Phosphorus do Brasil Ltda was merged with United Phosphorus do Brasil Ltda.

During the year ended 31 March 2017, the Company made additional investments of USD 2 million in UPL Agro SA DE CV, USD 96 thousand in UPL do Brasil S.A., USD 16.4 million in UPL Limited Japan, USD 243.134 million in United Phosphorus Holdings Cooperatief U.A., USD 21.050 million in Advanta Seed International, USD 3 million in UPL Colombia S.A.S, and USD 3 million in UPL Europe Limited.

* These companies are coorperatives incorporated in the Netherlands. The investment made by the Company is in the membership capital of the Netherlands Companies. No shares are allotted to the Company.

The Company has the power to control and govern the financial and operating policies of the above subsidiaries.

The directors are of the opinion that the carrying value of the above investment is fairly stated at cost and has not suffered any impairment in value.

8 AVAILABLE FOR SALE FINANCIAL ASSET

	2017	2016
Unquoted	**USD'000**	USD'000
At 1 April	**995**	995
Disposal	**(995)**	-
March	-	995

Name of company	Country of incorporation	Type of shares held	Number of shares held	% holding 2017	% holding 2016
Villa Crop Protection (Pty) Ltd	South Africa	Ordinary	20,482	-	11

During the year ended 31 March 2017, the Company disposed its entire shareholding for a total consideration of USD 3.233 million and and realised a gain on disposal of USD 2.238 million.

9 INVESTMENT IN JOINT VENTURE

	2017	2016
	USD'000	USD'000
United Phosphorus (Bangladesh) Limited	**329**	-

During the year ended 31 March 2017, the Company acquired 50% of the share capital of United Phosphorus (Bangladesh) Limited, representing 1,627 of TK 1,000 each, from its sole shareholder for a total consideration of USD 329 thousand. The investment has been stated at cost.

10 CONVERTIBLE LOAN NOTES

	2017	2016
	USD'000	USD'000
Amira Nature Foods Limited	**5,000**	-

During the year ended 31 March 2017, the Company invested USD 5 million in 10% convertible loan notes issued by Amira Nature Foods Limited with a maturity date of 22 July 2018 and convertible at USD 10.50 per share. Interest is payable semi-annually on 2 January and 1 July of
The directors are of the opinion that the carrying value of the above investment is fairly stated at cost and has not suffered any impairment in value.

11 TRADE AND OTHER RECEIVABLES

	2017	2016
	USD'000	USD'000
Non-current		
Amount receivable from non group company	-	2,072
Amount receivable from group companies (note 23)	**146,367**	221,908
	146,367	223,980
Current		
Trade debtors	**2,830**	224
Other receivables	**1,738**	2,798
Amount receivable from group companies (note 23)	**450,410**	180,767
	454,978	183,789

The carrying amount of trade and other receivables approximate their fair value.

12 STATED CAPITAL

	2017	2016
Ordinary shares of USD 100 each	**USD'000**	USD'000
At 1 April	**13,600**	83,600
Share buy back	-	(70,000)
At 31 March	**13,600**	13,600
Number of ordinary shares	**136,000**	136,000

The stated capital of the Company comprises of 136 thousand (2016: 136 thousand) ordinary shares with a par value of USD 100 per share. These shares are entitled to voting rights and to dividends. The shareholder has various rights under the Company's Constitution, including the rights to income distributions subject to solvency test and other legal requirements. They are also required to attend and vote at meeting of shareholders.

13 TRANSLATION RESERVE

	2017	2016
At 1 April	**(91,634)**	(92,768)
Movements during the year	**60,124**	1,134
At 31 March	**(31,510)**	(91,634)

During the year ended 31 March 2017, the translation reserve amounting to **USD 31.510 million** (2016: USD 91.634 million) represents unrealised loss on exchange arising on conversion of the quasi-loan advanced to group companies.

14 BONDS

	2017	2016
	USD'000	USD'000
Non-current		
USD 500m 3.25% Senior Notes Due 2021	**494,992**	-

During the year ended 31 March 2017, the Company issued USD 500 million 3.25% Senior Notes due 2021, which is being recorded at amortised cost. The net proceeds of the notes was USD 496.970 million and maturity date is 13 October 2021.

15 BORROWINGS

	2017	2016
Non-current		
Loan from group companies (note (a)) (note 23)	**337,209**	308,463
Loan from Banks (note (b))	**212,500**	200,000
	549,709	508,463
Current		
Loan from group companies (note (a)) (note 23)	**7,000**	40,000
Loan from Banks (note (b))	**37,500**	56,000
	44,500	96,000

(a) The loan bears interest at the rate between LIBOR + 2% to LIBOR + 2.5%, is unsecured and is repayable as follows:

	2017	2016
	USD'000	USD'000
Within one year	**7,000**	40,000
After one year and before five years	**337,209**	308,463
	344,209	348,463

(b) The loan from banks are unsecured, bears interest at the rate of LIBOR + 1.5% and are repayable as follows:

	2017	2016
	USD'000	USD'000
Within one year	**37,500**	56,000
After one year and before five years	**212,500**	200,000
	250,000	256,000

(c) The carrying amounts of borrowings approximate their fair values.

16 TRADE AND OTHER PAYABLES

	2017	2016
	USD'000	USD'000
Non-current		
Other payables	15,623	20,028
Current		
Amount payable to group companies (note 23)	58,186	66,032
Amount payable to group associate (note 23)	-	3,037
Other payables and accruals	47,633	3,994
	105,819	73,063

The carrying amounts of trade and other payables approximate their fair value with the non-current Other payables includes refundable security-cum performance deposit amount aggregating to USD 17.8 million (2016: USD 20.8 million) received by the Company from Pengo SA. on behalf of Mr Carlos Alberto De Paiva Pellicer ("Carlos"). The deposit has been made in relation to the Share Purchase Agreement entered between Carlos and United Phosphorus Indústria E Comércio de Produtos Químicos Ltda for the disposal of the entire shares held by Carlos in UPL Do Brazil Industria E Comercio De Insumos Agropecuarios SA and the refund of which is subject to fulfilment of conditions in the Share Purchase Agreement.

17 TAXATION

The Company holds a Category 1 Global Business Licence issued by the Financial Services Commission under the Financial Services Act 2007.

The profit of the Company, as adjusted for tax purposes, is subject to income tax at the rate of 15%. It is however, entitled to a tax credit equivalent to the higher of the foreign taxes paid or 80% of the Mauritian tax on its foreign source income.

A reconciliation between the profit before taxation and taxable profit is as follows:

	2017	2016
	USD'000	USD'000
Profit before taxation	50,597	50,502
Tax at 15 %	7,590	7,575
Annual allowance	(102)	(88)
Non-allowable expenses	233	370
Non-taxable income	(2,779)	(3,009)
	4,942	4,848
Less: Foreign tax credit	(3,953)	(3,878)
Tax charge for the year	989	970
Tax paid under Advance Payment System	(309)	(44)
Tax liability	680	926

The Company has applied the most appropriate tax credits by reference to each item of foreign
The taxation in profit or loss comprise of the following:

	2017	2016
	USD'000	USD'000
Prior year tax overprovision	(558)	-
Current year tax	989	970
Withholding tax	32	-
	463	970

18 COST OF SALES

	2017	2016
	USD'000	USD'000
Cost of sales	**327,840**	152,265

19 OTHER INCOME

	2017	2016
	USD'000	USD'000
Management fees	**9,841**	10,128
Interest income	**12,992**	13,982
Dividend income	**15,000**	22,000
Income received from group company	**21,740**	2,075
Exchange difference	**(249)**	97
	59,324	48,282

20 FINANCE COSTS

	2017	2016
	USD'000	USD'000
Interest on bonds	**3,438**	-
Interest expense on amount owed to banks	**11,497**	5,311
Interest expense on amount owed to group companies	**6,378**	6,369
Financial services charges and bank charges	**815**	2,416
Net foreign exchange transaction loss	**1,687**	748
Loss on interest swap	**41**	734
	23,856	15,578

The Company has entered into SWAP agreements with banks to hedge against fluctuations in interest rates.

21 CASH AND CASH EQUIVALENTS

	2017	2016
	USD'000	USD'000
Cash at bank		
Fixed deposit	**110,385**	-
Current account	**7,424**	9,773
Cash in hand	**0.05**	0.06
	117,809	9,773

22 HOLDING COMPANY

The directors consider UPL Limited, India, a listed company incorporated in India and having its registered office at 3-11, GIDC, Vapi, Valsad District, Gujarat - 396 195, India, as the holding

23 RELATED PARTY TRANSACTIONS

During the year ended 31 March 2017, the Company traded with related companies. The nature, volume and type of transactions with the companies are as follows:

Name of related companies	Nature of transactions	2017 USD'000	2016 USD'000
Holding company	Commission income	**15,749**	15,697
	Equity dividend	**32,000**	34,000
	Interest expense	**4,804**	5,263
	Purchases	**137,590**	113,676
	Recharge received	-	722
	Sales	**557**	695
	Share buy back	-	72,100
Subsidiaries & Sub Subsidiaries	Commission paid	**16,536**	15,697
	Commission income	**4,033**	-
	Dividend income	**15,000**	22,000
	Interest expense	**1,573**	1,106
	Interest income	**12,430**	13,103
	Management fee income	**9,842**	10,127
	Management fee expense	**9,500**	8,500
	Purchases	**159,669**	24,614
	Recharge given	-	722
	Licence fees	**692**	996
	Procurement income	**462**	255
	Sales	**362,412**	176,448
	Sales return	**(494)**	-
	Guarantee Charges	**804**	825
	Expense recharge	**279**	293
Group Associate	Sales	-	4,491
	Interest income	-	870
Management Company	Professional fees	**43**	29
		783,481	522,229

As at 31 March, the balances outstanding with related companics were as follows:

	2017 USD'000	2016 USD'000
(i) Amount receivable		
Non current		
Amount receivable from Subsidiaries & Sub Subsidiaries (note 11)	**146,367**	221,908
Current		
Amount receivable from holding company (note 11)	**18,638**	19,569
Amount receivable from Subsidiaries & Sub Subsidiaries (note 11)	**431,772**	161,198
	450,410	180,767
(i) Borrowings		
Current		
Amount payable to holding company	**7,000**	40,000
Non current		
Amount payable to holding company	**132,310**	133,640
Amount payable to Subsidiaries & Sub Subsidiaries	**204,899**	174,823
	337,209	308,463
Total (note 15)	**344,209**	348,463
(ii) Trade and other payables - Current		
Amount payable to holding company	**34,295**	41,804
Amount payable to Subsidiaries & Sub Subsidiaries	**23,891**	24,228
Amount payable to group associate	-	3,037
Total (note 16)	**58,186**	69,069

24 FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

The Company's activities expose it to financial risks as more explained hereunder.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The 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.

(a) 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. Changes in market risk will not have any material impact on the

(i) Interest rate risk

The Company's financial assets and liabilities are either interest bearing or non-interest-bearing. The Company is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

The Company manages its interest rate risk by using floating-to-fixed interest rate swaps by swapping the floating interest rates of some of the bank loans to fixed interest rates. In this respect, the Company had entered into Interest Rate Risk Swap Agreements for some of the bank loans, to hedge against interest rate fluctuations. As at 31 March 2017, the amortized notional amount for which the Company had entered into interest rate SWAP agreements amounted to USD 98.304 million (2016: USD 159.288

The following table details the Company 's exposure to interest rate risks.

	31 March 2017		
	Interest bearing	**Non-interest bearing**	**Total**
Assets	**USD'000**	**USD'000**	**USD'000**
Convertible loan notes	**5,000**	**-**	**5,000**
Cash and cash equivalents	**110,413**	**7,396**	**117,809**
Trade and other receivables	**424,920**	**176,425**	**601,345**
Total assets	**540,333**	**183,821**	**724,154**
Liabilities			
Bonds	**494,992**	**-**	**494,992**
Borrowings	**389,310**	**204,899**	**594,209**
Trade and other payables	**-**	**121,442**	**121,442**
Total liabilities	**884,302**	**326,341**	**1,210,643**

24 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

	31 March 2016		
	Interest bearing	Non-interest bearing	Total
	USD'000	USD'000	USD'000
Assets			
Cash and cash equivalents	-	9,773	9,773
Trade and other receivables	250,076	157,693	407,769
Total assets	250,076	167,466	417,542
Liabilities			
Borrowings	473,223	131,240	604,463
Trade and other payables	-	93,091	93,091
Total liabilities	473,223	224,331	697,554

Interest rate sensitivity

A 100 basis point is the sensitivity rate used internally by key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the net profit for the year ended 31 March 2017 would increase/decrease by **USD 3.816 million** (2016: USD 1.381 million). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings from the holding company. The interest rate of the bonds is fixed at 3.25% per annum, hence no sensitivity analysis has been carried out.

		31 March 2017		
		Interest rates		
Financial instrument	**USD'000**	**Interest Charge**	**Low -1.00%**	**High +1.00%**
Borrowings	**389,310**	**10,718**	**14,534**	**6,902**
Impact on net profit of the Company			**(3,816)**	**3,816**

24 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

Interest rate sensitivity (Continued)

		31 March 2016		
			Interest rates	
Financial instrument	USD'000	Interest Charge	Low -1.00%	High +1.00%
Borrowings	473,223	2,072	691	3,453
Impact on net profit of the Company			1,381	(1,381)

(ii) Currency profile

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

	Financial assets 2017 USD'000	**Financial liabilities 2017 USD'000**	Financial assets 2016 USD'000	Financial liabilities 2016 USD'000
Great Britain pound	**7,293**	**88**	9,393	14
Japanese yen	**-**	**-**	15,554	-
Australian dollar	**11,491**	**877**	3,168	1,776
Mauritian rupee	**6**	**2**	1	1
United States dollar	**547,829**	**1,185,540**	181,922	671,012
EURO	**151,067**	**24,137**	140,514	24,751
Brazil Real	**-**	**-**	66,485	-
	717,686	**1,210,643**	417,037	697,554

Prepayments of **USD 1.469 million** (2016: USD 1.500 million) have not been included in financial assets and tax provision of **USD 680 thousand** (2016: tax provision USD 926 thousand) has not been included in the financial liabilities.

(b) Credit risk

Financial assets that potentially expose the Company to credit risk consist principally of investments in cash balances. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

According to the Company's investment policy, transactions are carefully allocated to counterparties reflecting the credit worthiness of the financial institution. The Board of Directors also constantly monitors the outstanding investments.

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

24 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017	2016
	USD'000	USD'000
Trade and other receivables	601,345	407,769

(c) 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 Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

	31 March 2017	
	3 months to 1 year	**More than 1 year**
	USD'000	**USD'000**
Liabilities		
Bonds	-	**494,992**
Borrowings	**44,500**	**549,709**
Trade and other payables	**105,819**	**15,623**
	150,319	**1,060,324**

	31 March 2016	
	3 months to 1 year	More than 1 year
	USD'000	USD'000
Liabilities		
Borrowings	96,000	508,463
Trade and other payables	73,063	20,028
	169,063	528,491

25 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

The balances as at 31 March were as follows:

	2017	2016
	USD'000	USD'000
Bonds	**494,992**	-
Borrowings	**594,209**	604,463
Less: cash and cash equivalents	**(117,809)**	(9,773)
Net debt	**971,392**	594,690
Total equity	**132,806**	54,548
Total	**1,104,198**	649,238

26 FAIR VALUATION HIERARCHY

As required by IFRS 13, the fair values for the financial instruments appearing in the statement of financial position have been disclosed by the following fair value measurements hierarchy.

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities -Level 1;
(ii) Inputs other than quoted prices as in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) – Level 2; and
(iii) Inputs for the asset or liability that are not based on observable market date - Level 3.

March 2017	**Level 1 USD'000**	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Assets				
Convertible Loan Notes	-	-	**5,000**	**5,000**
Trade and other receivables	-	-	**601,345**	**601,345**
Cash and cash equivalents	-	-	**117,809**	**117,809**
Total assets	-	-	**724,154**	**724,154**

26 FAIR VALUATION HIERARCHY (Continued)

March 2017	**Level 1 USD'000**	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Liabilities				
Bonds	-	-	**494,992**	**494,992**
Borrowings	-	-	**594,209**	**594,209**
Trade and other payables	-	-	**121,442**	**121,442**
Total liabilities	-	-	**1,210,643**	**1,210,643**

March 2016	Level 1 USD'000	Level 2 USD'000	Level 3 USD'000	Total USD'000
Assets				
Available for sale financial asset	-	-	995	995
Trade and other receivables	-	-	407,769	407,769
Cash and cash equivalents	-	-	9,773	9,773
Total assets	-	-	418,537	418,537

	Level 1 USD'000	**Level 2 USD'000**	**Level 3 USD'000**	**Total USD'000**
Liabilities				
Borrowings	-	-	604,463	604,463
Trade and other payables	-	-	93,091	93,091
Total liabilities	-	-	697,554	697,554

The fair value of trade and other receivables, cash and cash equivalents, borrowings, trade and other payables approximate their carrying values due to their short nature.

27 ADMINISTRATIVE EXPENSES

	2017	2016
	USD'000	USD'000
Auditors' remuneration	32	29
Travelling expenses	183	76
Other expenses	379	316
Registration fees	148	-
Rent	7	7
Salaries*	676	77
Management fees	9,500	8,500
Postage	14	8
Printing and stationary	1	1
Other fees and charges	2,086	735
	13,026	9,749
Amortisation of intangible assets	1,553	1,109
Depreciation	3	1
	14,582	10,859

28 SELLING AND DISTRIBUTION EXPENSES

	2017	2016
	USD'000	USD'000
Commission to group companies	16,536	-
Sales promotion expenses	1	1,244
Freight	-	36
Bad debts written off	-	18
	16,537	1,298

29 INVENTORIES

	2017	2016
	USD'000	USD,000
Goods held at third party warehouse	3,092	5,592
Goods in transit	154	661
	3,246	6,253

During the year ended 31 March 2017, the Company accounted for a stock impairment for an amount of USD 2.5 million.

30 EMPLOYEES

As at the year end, the Company had 6 full time and 20 contract employees (2016: 4 full time employees).

31 EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2017.