

**BIO-WIN CORPORATION
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

BIO-WIN CORPORATION LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

CONTENTS	PAGES
CORPORATE DATA	1
COMMENTARY OF THE DIRECTORS	2
CERTIFICATE FROM THE SECRETARY	3
INDEPENDENT AUDITORS' REPORT	4 – 5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 – 31

CORPORATE DATA

		<i>Date of appointment:</i>	<i>Date of resignation:</i>
DIRECTORS	: Gyaneshwarnath Gowrea	12 January 2009	-
	Mohammad Akhtar Janally	31 March 2010	5 January 2015
	Sonia Lutchmiah	2 February 2012	-
	Uttam Danayah	2 February 2012	-
	Manish Ramsunder Tripathi	1 August 2013	-
	Subhash Gandhimathinathan Pillai	1 August 2013	-
	Gawtam Gokool	5 January 2015	-
ADMINISTRATOR & CORPORATE SECRETARY	CIM Corporate Services Ltd (formerly known as Multiconsult Limited) 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 HSBC Bank (Mauritius) Limited Barclays Private Clients International Limited, Isle of Man		
AUDITORS	<i>With effect from 1 May 2014:</i>		
	: Crowe Horwath (Mur) Co. Member Crowe Horwath International 2nd Floor, Ebene Esplanade 24 Cybercity Ebene Mauritius		
	<i>Up to 30 April 2014:</i>		
	3rd Floor, C.A Building 19, Poudriere Street Port Louis Mauritius		

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of **BIO-WIN CORPORATION LIMITED** (the "Company") for the financial year ended 31 March 2015.

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 29,000** thousand was paid during the year (2014: USD 19,000 thousand). 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 (Mur) Co.**, have indicated their willingness to continue in office and will be automatically re-appointed.

**BIO-WIN CORPORATION LIMITED
CERTIFICATE FROM THE SECRETARY
FOR THE YEAR ENDED 31 MARCH 2015**

3.

We certify to the best of our knowledge and belief, **BIO-WIN CORPORATION LIMITED** has filed with the Registrar of Companies for the financial year ended 31 March 2015, all such returns as are required of the company under Section 166 (d) of the Companies Act 2001.



.....
**FOR CIM CORPORATE SERVICES LTD
CORPORATE SECRETARY**

Date: 22 APR 2015



Crowe Horwath (Mur) Co.
Member Crowe Horwath International

2nd Floor, Ebene Esplanade
24 Cybercity
Ebene, Mauritius
Telephone : (230) 467 8684 / 466 2992
Telefax : (230) 467 7478
www.crowehorwath.mu

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF BIO-WIN CORPORATION LIMITED

We have audited the accompanying financial statements of **BIO-WIN CORPORATION LIMITED** (the "Company"), which comprise of the statement of financial position as at 31 March 2015, 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 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.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the Mauritius Companies Act 2001, and for designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. They are also responsible for keeping proper accounting records and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

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



INDEPENDENT AUDITORS' REPORT (Continued)
TO THE SHAREHOLDER OF BIO-WIN CORPORATION LIMITED

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as modified by the exemption for non-consolidation provided by the Mauritius Companies Act 2001 for Companies holding a Category 1 Global Business Licence and which are wholly or virtually wholly owned subsidiaries of any company, and which comply with the Mauritius Companies Act 2001.

Report on other legal and regulatory requirements

In accordance with the requirements of the Mauritius Companies Act 2001, 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
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other matters

This report is made solely for the Company's shareholder, 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 shareholder those matters we are required to state to the shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinion we have formed.

Crowe Horwath (Mur) Co

Crowe Horwath (Mur) Co.
Public Accountants

Date: 22 April 2015

Ebene, Mauritius

A handwritten signature in black ink, appearing to read 'K.S. Sewraz'.

K.S. Sewraz, FCCA
Signing Partner
Licensed by FRC

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	<u>Notes</u>	<u>2015</u> USD'000	<u>2014</u> USD'000
ASSETS			
Non-current assets			
Intangible assets	5	1,470	1,805
Property, plant and equipment	6	3	3
Investment in subsidiaries	7	213,578	213,578
Available for sale financial asset	8	995	995
Trade and other receivables	9	209,557	281,628
Total non-current assets		425,603	498,009
Current assets			
Inventories	26	20,259	73
Trade and other receivables	9	251,517	180,950
Cash and cash equivalents	18	1,596	40,340
Total current assets		273,372	221,363
TOTAL ASSETS		698,975	719,372
EQUITY AND LIABILITIES			
Equity			
Stated capital	10	83,600	83,600
Translation reserve	11	(92,768)	(28,665)
Retained earnings		119,150	92,022
Total equity		109,982	146,957
Non-current liability			
Borrowings	12	395,576	423,422
Current liabilities			
Borrowings	12	144,753	122,828
Trade and other payables	13	48,605	26,165
Tax liability	14	59	-
Total current liabilities		193,417	148,993
Total liabilities		588,993	572,415
TOTAL EQUITY AND LIABILITIES		698,975	719,372

These financial statements have been approved for issue by the Board of directors on 22 April 2015 and signed on its behalf by:



} DIRECTORS
}

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015**

	<i>Notes</i>	2015 USD'000	2014 USD'000
Turnover		100,273	85,361
Cost of sales	15	<u>(78,898)</u>	<u>(79,228)</u>
Gross profit		21,375	6,133
Other income	16	63,684	57,792
Administrative expenses	24	(11,789)	(7,432)
Restructuring cost	25	<u>-</u>	<u>(2,000)</u>
Finance costs	17	<u>73,270</u> <u>(17,079)</u>	54,493 <u>(14,725)</u>
Profit before taxation		56,191	39,768
Taxation	14	<u>(64)</u>	<u>432</u>
Profit for the year		56,127	40,200
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Currency translation differences	11	(64,103)	(1,905)
<i>Items that may be reclassified subsequently to profit or loss</i>		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income for the year		<u>(7,976)</u>	<u>38,295</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015**

	<i>Notes</i>	2015 USD'000	2014 USD'000
<i>Cash flows from operating activities</i>			
Profit before taxation		56,190	39,767
<i>Adjustments for:</i>			
Dividend income		(28,017)	(27,525)
Amortisation of intangible assets	5	808	808
Depreciation	6	1	1
Operating profit before working capital changes		28,982	13,051
Increase in inventories		(20,186)	(1)
(Increase)/decrease in trade and other receivables		(62,600)	121,833
Increase/(decrease) in trade and other payables		22,442	(39,912)
Cash (absorbed by)/generated from operations		(31,362)	94,971
Tax (paid) / refund		(5)	149
Net cash (used in)/from operating activities		(31,365)	95,120
<i>Cash flows from investing activities</i>			
Acquisition of intangible assets		(473)	-
Acquisition of property plant and equipment	6	(1)	(3)
Net cash used in investing activities		(474)	(3)
<i>Cash flows from financing activities</i>			
Proceeds from borrowings		164,540	157,402
Repayment of borrowings		(163,304)	(225,611)
Dividend received		28,017	27,525
Dividend paid		(29,000)	(19,000)
Net cash from/(used in) financing activities		253	(59,684)
Net increase in cash and cash equivalents		(31,586)	35,433
Cash and cash equivalents at start of the year		40,340	8,734
Effect of exchange rates changes		(7,156)	(3,827)
Cash and cash equivalents at end of the year	18	1,596	40,340

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	<u>Stated capital</u>	<u>Translation reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	USD'000	USD'000	USD'000	USD'000
At 1 April 2013	83,600	(26,760)	70,822	127,662
<u>Translation reserve:</u>				
Arising during the year (note 11)	-	(1,905)	-	(1,905)
Profit for the year	-	-	40,200	40,200
Dividend paid	-	-	(19,000)	(19,000)
At 31 March 2014	83,600	(28,665)	92,022	146,957
<u>Translation reserve:</u>				
Arising during the year (note 11)	-	(64,103)	-	(64,103)
Profit for the year	-	-	56,127	56,127
Dividend paid	-	-	(29,000)	(29,000)
At 31 March 2015	<u>83,600</u>	<u>(92,768)</u>	<u>119,150</u>	<u>109,982</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1 REPORTING ENTITY

BIO-WIN CORPORATION LIMITED (the "Company") 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. 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 the exemption from non-consolidation provided by the Mauritius Companies Act 2001. 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 22 April 2015.

(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 currency.

(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 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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

- 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 advantage of the exemption provided in the Mauritius Companies Act 2001, allowing a wholly owned or virtually owned subsidiary of any company which holds a Category 1 Global Business Licence not to present consolidated financial statements. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

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) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Financial assets (Continued)

(a) Available for sale financial assets

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) 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.

(c) Trade and other receivables

Trade and other receivables are recognised at cost less impairment.

(d) Cash and cash equivalents

Cash and cash equivalents 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) 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.

(c) 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 five years.

(d) Property, plant and equipment

Assets are stated at cost less accumulated depreciation. 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 Furniture.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(e) 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.

(f) 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.

(g) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**(h) 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.

(i) 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.

(j) Expense recognition

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

(k) 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.

(l) Inventories

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

(m) Equity

Equity consists of stated capital and accumulated losses.

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

(n) 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) Adoption of new and revised International Financial Reporting Standards (IFRS)***

In the current year, the Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting year beginning on and after 1 January 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)***(i) Adoption of new and revised International Financial Reporting Standards (IFRS) (Continued)***

The following standards have been adopted by the Company for the first time for the financial year beginning on 1 January 2014.

IAS 32 Financial Instruments: Presentation

The amendment clarifies the accounting requirements for offsetting financial instruments. New guidance in IAS 32 clarifies that the right of set-off:

- Must not be contingent on a future event; and
- Must be legally enforceable in all of the following circumstances:
 - i. The normal course of business;
 - ii. The event of default; and
 - iii. The event of insolvency or bankruptcy of the entity and all of the counterparties.

IAS 36 Impairment of Assets

Under the amendments, the recoverable amount of an asset or cash generating unit (CGU) is required to be disclosed only where IAS 36.130(e) applies, being periods in which an impairment has been either recorded or reversed in respect of that asset (or CGU).

Clarification of disclosure requirements – fair value less costs of disposal

An exemption from a requirement to provide disclosures in accordance with IFRS 13 Fair Value Measurement has been retained. However, the amendments to IAS 36 would require an entity to make disclosures for fair value less costs of disposal that are consistent with those currently required for an asset (or CGU) where the recoverable amount has been determined on the basis of value in use. The amendments also align the IFRS disclosure requirements with US GAAP.

The amended disclosure requirements of IAS 36.130(f) require disclosure of:

- The level of the fair value hierarchy within which the fair value measurement of the asset (cash-generating unit) is categorised in its entirety (without taking into account whether the 'costs of disposal' are observable);
- For fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, a description of the valuation technique(s) used to measure fair value less costs of disposal. If there has been a change in valuation technique, disclosure is required of that change and the reason(s) for making it;
- For fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, each key assumption on which management has based its determination of fair value less costs of disposal. Key assumptions are those to which the asset's (CGU's) recoverable amount is most sensitive;
- The discount rate(s) used in the current measurement and previous measurement if fair value less costs of disposal is measured using a present value technique.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

4. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

(ii) Standards and interpretations in issue that are not yet effective and have not been early adopted by the Company.

The new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been early adopted in preparing these financial statements.

Effective date for accounting periods beginning on or after 1 July 2014

IFRS 13 Fair Value Measurement

Short term receivables and payables

The amendment clarifies that short-term receivables and payables with no stated interest rate can still be measured at the invoice amount without discounting, if the effect of discounting is immaterial.

Portfolio exemption

The amendment clarifies that the portfolio exception applies to all contracts within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments if this has been adopted early), regardless of whether they meet the definition of financial assets or financial liabilities in IAS 32 Financial Instruments: Presentation.

IAS 24 Related Party Disclosures

The amendment clarifies that an entity that provides key management personnel services ('management entity') to a reporting entity (or to the parent of the reporting entity), is a related party of the reporting entity, and:

- Would require separate disclosure of amounts recognised as an expense for key management personnel services provided by a separate management entity;
- Would not require disaggregated disclosures by the categories set out in IAS 24.17.

Effective date for accounting periods beginning on or after 1 January 2016

IFRS 7 Financial Instruments: Disclosures

Servicing contracts

The IASB clarified the circumstances in which an entity has continuing involvement from the servicing of a transferred asset.

The amendment is required to be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. However, the amendment need not to be applied for any period beginning before the annual period in which the entity first applies the amendments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

5 INTANGIBLE ASSETS	2015 USD'000	2014 USD'000
COST:		
At 1 April	10,326	10,326
Additions during the year	473	-
At 31 March	10,799	10,326
AMORTISATION		
At 1 April	8,521	7,713
Charge for the year	808	808
At 31 March	9,329	8,521
NET BOOK VALUE		
At 31 March	1,470	1,805

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 2015, expenses incurred in relation to Napromide Registration were capitalised by the Company.

6 PROPERTY, PLANT AND EQUIPMENT	2015 USD'000	2014 USD'000
COST:		
At 1 April	6	3
Additions during the year	1	3
At 31 March	7	6
DEPRECIATION		
At 1 April	3	2
Charge for the year	1	1
At 31 March	4	3
NET BOOK VALUE		
At 31 March	3	3

7 INVESTMENT IN SUBSIDIARIES	2015 USD'000	2014 USD'000
<u>Investments - Unquoted</u>		
At 1 April/ 31 March	213,578	213,578

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	
				2015	2014
UPL Europe Ltd.(Formerly known as United Phosphorus Limited)	United Kingdom	Ordinary	22,753,000	100	100
		Preference	19,812,277	100	100
UPL Australia Limited	Australia	Ordinary	100,000	100	100
UPL Agro SA DE CV (Formerly known as "United Phosphorus de Mexico, S.A. de C.V.")	Mexico	Ordinary	104	100	100
UPL Limited	Hong Kong	Ordinary	10,000	100	100

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7 INVESTMENT IN SUBSIDIARIES (Continued)					
Name of companies	Country of incorporation	Type of shares held	Number of shares held	% holding	
				2015	2014
UPL (Taiwan) Limited (Formerly known as "United Phosphorus (Taiwan) Limited")	Taiwan	Ordinary	100,000	100	100
United Phosphorus do Brasil Ltda	Brazil	Ordinary	135,000	99	99
PT.UPL Indonesia (Formerly Known as "PT. United Phosphorus Indonesia")	Indonesia	Ordinary	480,396	49	49
PT Catur Agrodaya Mandiri, Indonesia	Indonesia	Ordinary	141,000	93.38	93.38
UPL Limited Korea (Formerly known as "United Phosphorus (Korea) Limited")	Korea	Ordinary	138,984	99	99
UPL Vietnam Co. Ltd (Formerly known as "United Phosphorus Vietnam Co., Limited")	Vietnam	Ordinary	No par value	100	100
UPL Colombia SAS	Colombia	Ordinary	322,702,696	5.5293	5.5293
UPL Limited, Japan (Formerly known as "United Phosphorus Limited")	Japan	Ordinary	5,000	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
UPL New Zealand Limited	New Zealand	Ordinary	100	100	100

* These companies are cooperatives 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

Unquoted	Country of incorporation	Type of shares held	2015	2014
			USD'000	USD'000
At 1 April and 31 March			995	995
Name of company	Country of incorporation	Type of shares held	Number of shares held	% holding 2015 2014
Villa Crop Protection (Pty) Ltd	South Africa	Ordinary	20,482	11 11

The available for sale financial asset consists of investment made in Villa Crop Protection (Pty) Ltd, an unquoted company incorporated in South Africa.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9 TRADE AND OTHER RECEIVABLES

	<u>2015</u> USD'000	<u>2014</u> USD'000
<i>Non-current</i>		
Amount receivable from non group company	2,072	2,072
Amount receivable from group companies (note 20)	207,485	279,556
	<u>209,557</u>	<u>281,628</u>
<i>Current</i>		
Trade debtors	8,576	1,901
Other receivables	18,664	3,055
Amount receivable from group companies (note 20)	224,277	175,994
	<u>251,517</u>	<u>180,950</u>

At 31 March 2015, the amount of trade receivables sold to Cerexagri B.V. on a non-recourse basis in the framework of the "Agreement to purchase non-recourse book debts" amounted to USD 1,409 thousand. These receivables were derecognised from the statement of financial position.

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

10 STATED CAPITAL

	<u>2015</u> USD'000	<u>2014</u> USD'000
<u>Ordinary shares of USD 100 each</u>		
At 1 April and 31 March	<u>83,600</u>	<u>83,600</u>
Number of ordinary shares	<u>836</u>	<u>836</u>

The stated capital of the Company comprises of 836 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.

11 TRANSLATION RESERVE

	<u>2015</u> USD'000	<u>2014</u> USD'000
At 1 April	(28,665)	(26,760)
Movements during the year	(64,103)	(1,905)
At 31 March	<u>(92,768)</u>	<u>(28,665)</u>

During the year ended 31 March 2015, the translation reserve amounting to USD 92,768 thousand (2014: USD 28,664 thousand) represents unrealised loss on exchange arising on conversion of the quasi-loan advanced to group companies.

12 BORROWINGS

	<u>2015</u> USD'000	<u>2014</u> USD'000
<i>Non-current</i>		
Loan from group companies (note (a)) (note 20)	286,617	230,474
Loan from Banks (note (b))	108,959	192,948
	<u>395,576</u>	<u>423,422</u>
<i>Current</i>		
Loan from group companies (note (a)) (note 20)	70,765	100,000
Loan from Banks (note (b))	73,988	22,828
	<u>144,753</u>	<u>122,828</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12 BORROWINGS (Continued)

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

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Within one year	70,765	100,000
After one year and before five years	286,617	230,474
	<u>357,382</u>	<u>330,474</u>

- (b) The loan from banks are secured, bears interest at the rate, between LIBOR + 1.35%, LIBOR + 2.5% and LIBOR + 2.7%, and is repayable as follows:

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Within one year	73,988	22,828
After one year and before five years	108,959	192,948
	<u>182,947</u>	<u>215,776</u>

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

13 TRADE AND OTHER PAYABLES

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Amount payable to group companies (note 20)	41,949	22,523
Other payables and accruals	6,656	3,642
	<u>48,605</u>	<u>26,165</u>

The carrying amounts of trade and other payables approximate their fair value and are repayable within one year.

14 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. Thus reducing its tax rate to 3%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

14 TAXATION (Continued)

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

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Profit before taxation	56,190	39,767
Add underlying tax	1,307	1,094
	<u>57,497</u>	<u>40,861</u>
Tax at 15 %	8,625	6,130
Annual allowance	(76)	(76)
Non-allowable expenses	407	791
Non-taxable income	<u>(4,412)</u>	<u>(3,013)</u>
	4,544	3,832
Less: tax credit	<u>(4,485)</u>	<u>(3,832)</u>
	59	-
Tax paid under Advance Payment System	-	-
Tax liability	<u>59</u>	<u>-</u>

The Company has applied the most appropriate tax credits by reference to each item of foreign source income separately.

The taxation in profit or loss comprise of the following:

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Current year tax	59	-
Withholding tax	5	-
Tax overprovision	-	(283)
Tax refund	-	(149)
	<u>64</u>	<u>(432)</u>

15 COST OF SALES

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Cost of sales	<u>78,898</u>	<u>79,228</u>

16 OTHER INCOME

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Management fees	8,907	5,445
Interest income	15,635	15,999
Dividend income	28,017	27,525
Income received from group company	6,006	9,047
Exchange difference	<u>5,119</u>	<u>(224)</u>
	<u>63,684</u>	<u>57,792</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

17 FINANCE COSTS

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Interest expense on amount owed to banks	5,477	7,085
Interest expense on amount owed to group companies	8,276	7,922
Interest expense on amount owed to non group companies	-	7
Financial services charges and bank charges	257	315
Net foreign exchange transaction (gain)/loss	1,783	(677)
Loss on interest swap	1,286	73
	<u>17,079</u>	<u>14,725</u>

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

18 CASH AND CASH EQUIVALENTS

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
<u>Cash at bank</u>		
Current account	1,596	13,340
Fixed deposit with bank	-	27,000
Cash in hand	0.20	0.22
	<u>1,596</u>	<u>40,340</u>

19 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 company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**
20 RELATED PARTY TRANSACTIONS

During the year ended 31 March 2015, 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	2015 USD'000	2014 USD'000
Holding company	Commission income	16,016	13,152
	Equity dividend	29,000	19,000
	Interest expense	7,457	7,036
	Purchases	56,917	48,816
	Recharge received	7,619	3,695
	Sales	1,459	975
Subsidiaries & Sub Subsidiaries	Commission paid	17,588	10,052
	Dividend income	27,970	27,475
	Interest expense	820	885
	Interest income	14,827	15,610
	Management fee income	8,907	10,284
	Management fee expense	6,100	4,939
	Purchases	39,885	27,040
	Recharge given	7,619	3,695
	Royalty Income	17	-
	Procurement income	209	-
	Sales	94,124	76,357
	Gurantee Charges	906	996
	Licence fees	4,874	4,950
	Expense recharge	275	-
		<u>342,589</u>	<u>274,957</u>

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

	2015 USD'000	2014 USD'000
Non current		
Amount receivable from Subsidiaries & Sub Subsidiaries (note 9)	<u>207,485</u>	<u>279,556</u>
Current		
Amount receivable from holding company (note 9)	28,366	22,336
Amount receivable from Subsidiaries & Sub Subsidiaries (note 9)	<u>195,911</u>	<u>153,658</u>
	<u>224,277</u>	<u>175,994</u>
(i) Borrowings		
Current		
Amount payable to holding company	<u>70,765</u>	<u>100,000</u>
Non current		
Amount payable to holding company	135,000	159,466
Amount payable to Subsidiaries & Sub Subsidiaries	<u>151,617</u>	<u>71,008</u>
	<u>286,617</u>	<u>230,474</u>
Total (note 12)	<u>357,382</u>	<u>330,474</u>
(ii) Trade and other payables - Current		
Amount payable to holding company	25,888	20,516
Amount payable to Subsidiaries & Sub Subsidiaries	<u>16,061</u>	<u>2,007</u>
Total (note 13)	<u>41,949</u>	<u>22,523</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21 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 financial statements.

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

	31 March 2015		
	Interest bearing	Non-interest bearing	Total
	USD'000	USD'000	USD'000
Assets			
Cash and cash equivalents	-	1,596	1,596
Trade and other receivables	301,566	159,508	461,074
Total assets	301,566	161,104	462,670
Liabilities			
Borrowings	388,712	151,617	540,329
Trade and other payables	-	48,605	48,605
Total liabilities	388,712	200,222	588,934

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

	31 March 2014		Total USD'000
	Interest bearing USD'000	Non-interest bearing USD'000	
Assets			
Cash and cash equivalents	-	40,340	40,340
Trade and other receivables	353,078	109,501	462,579
Total assets	353,078	149,841	502,919
Liabilities			
Borrowings	475,243	71,007	546,250
Trade and other payables	-	26,165	26,165
Total liabilities	475,243	97,172	572,415

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 2015 would increase/decrease by **USD 2,191 thousand** (2014: USD 5,677 thousand). This is mainly attributable to the Company exposure to interest rates on variable rate of interest rates on borrowings from the holding company.

Financial instrument	USD'000	31 March 2015		
		Interest rates		
		Base interest 2.50%	Low -1.00%	High +1.00%
Borrowings	388,712	5,477	3,286	7,668
Impact on net profit of the Company			2,191	(2,191)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21 FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk (Continued)

(i) Interest rate risk (Continued)

Interest rate sensitivity (Continued)

Financial instrument	USD'000	31 March 2014		
		Interest rates		
		Base interest 3.00%	Low -1.00%	High +1.00%
Borrowings	475,243	14,993	9,316	20,669
Impact on net profit of the Company			5,677	(5,677)

(ii) Currency profile

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

	Financial assets 2015 USD'000	Financial liabilities 2015 USD'000	Financial assets 2014 USD'000	Financial liabilities 2014 USD'000
Great Britain pound	8,777	126	9,767	128
Japanese yen	14,143	-	16,109	-
Australian dollar	1,863	1,420	2,789	1,919
Mauritian rupee	14	1	157	1
United States dollar	244,249	565,824	204,903	541,715
EURO	128,056	21,565	184,153	26,653
Brazil Real	66,563	-	86,035	-
	463,665	588,936	503,913	570,416

Prepayments of USD 66 (2014: USD 56) have not been included in financial assets and restructuring cost provision of USD 29,460 (2014: tax liability USD 2,000 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21 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:

	<u>2015</u> USD'000	<u>2014</u> USD'000
Trade and other receivables	<u>461,074</u>	<u>462,579</u>

(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 2015	
	3 months to 1 year	More than 1 year
	USD'000	USD'000
Liabilities		
Borrowings	144,753	395,576
Trade and other payables	48,605	-
	<u>193,358</u>	<u>395,576</u>
	31 March 2014	
	3 months to 1 year	More than 1 year
	USD'000	USD'000
Liabilities		
Borrowings	122,828	423,422
Trade and other payables	26,165	-
	<u>148,993</u>	<u>423,422</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

22 CAPITAL RISK 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 gearing ratio as at 31 March 2015 and 31 March 2014 were as follows:

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Total borrowings	540,329	546,249
Less: cash and cash equivalents	(1,596)	(40,340)
Net debt	<u>538,733</u>	<u>505,909</u>
Total equity	<u>109,982</u>	<u>146,957</u>
Total	<u>648,715</u>	<u>652,866</u>
Gearing ratio (%)	<u>490</u>	<u>344</u>

23 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 data - Level 3.

2015 & 2014	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	USD'000	USD'000	USD'000	USD'000
Assets				
Available for sale financial asset	-	-	995	995
Total assets	<u>-</u>	<u>-</u>	<u>995</u>	<u>995</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23 FAIR VALUATION HIERARCHY (Continued)

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.

24 ADMINISTRATIVE EXPENSES

	<u>2015</u>	<u>2014</u>
	USD'000	USD'000
Auditors' remuneration	22	17
Travelling expenses	2,180	1,896
Other expenses	21	42
Registration fees	173	-
Rent	8	8
Salaries	1,306	3,388
Management fees	6,100	100
Postage	10	9
Printing and stationary	1	1
Other fees and charges	1,159	1,162
	<u>10,980</u>	<u>6,623</u>
Amortisation of intangible assets	808	808
Depreciation	1	1
	<u>11,789</u>	<u>7,432</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

25 RESTRUCTURING COST

The amount of USD 2,000 thousand for the year ended 31 March 2014 which is of an exceptional nature, represents restructuring provision made in relation to the Company's business in the Latam region, which was paid by the its related party during the year under review.

26 INVENTORIES

	<u>2015</u>	<u>2014</u>
	USD'000	USD,000
Goods	<u>20,259</u>	<u>73</u>

The inventories of USD 20,259 thousand consist of goods held at third party warehouse and goods in transit.

27 CONTINGENCIES

Contingent Liability

During the year ended 31 March 2015, the Company has offered an unconditional and irrevocable continuing guarantee of Brazilian Reais 80 million in favour of Bank of America Merrill Lynch Banco Multiplo S.A., in reation to a short term credit facility of Brazilian Reais 80 million granted by the bank to a

28 EVENTS AFTER THE REPORTING PERIOD

On 08 April 2015, pursuant to a facility agreement between the Company and Deutsche Bank AG, Singapore Branch ('DB') dated 30 December 2014, the Company availed a short term loan facility of USD 40m from DB, for 3 months at an interest rate of Libor + 1.55%.