INDIA ADVANTAGE FUND LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 30 JUNE 2017

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	Notes	Half year ended 30 June 2017 Unaudited	Year ended 31 December 2016 Audited
		USD	USD
Income			
Net gain on financial assets at fair value through profit or loss	9	33,177,623	5,339,601
Bank Interest Income		3	-
Total income		33,177,626	5,339,601
Expenses			
Investment management fees	6/15	514,825	890,742
Marketing expenses	6	460,216	829,260
Professional fees	6	53,021	89,693
Trailer fees		33,684	59,108
Audit fees		10,339	21,942
General expenses		7,912	29,378
Directors' remuneration	7/15	15,000	35,000
Bank charges		6,100	9,270
Total expenses		1,101,097	1,964,393
Profit before tax		32,076,529	3,375,208
Income tax expense	13	-	-
Profit for the period/year, net of tax		32,076,529	3,375,208
Other comprehensive income		-	-
Total comprehensive income, net of tax		32,076,529	3,375,208

The notes on pages 6 to 27 are an integral part of these financial statements.

	Notes	30 June 2017 Unaudited	31 December 2016 Audited
		USD	USD
ASSETS			
Cash and cash equivalents	8	63,800	344,140
Financial assets at fair value through profit or loss	9	149,672,259	117,779,636
Prepayments		8,115	4,812
Total assets		149,744,174	118,128,588
Management fees payable	15	92,648	74,564
Redemption payable		12,749	440
Other payables and accruals	11	486,442	432,641
Total liabilities		591,839	507,645
EQUITY			
Share capital- Management shares	12	1,300	1,300
Share capital- Redeemable participating shares	12	4,528	4,545
Retained earnings	12	149,146,507	117,615,098
Total equity		149,152,335	117,620,943
Total liabilities and equity		149,744,174	118,128,588
Number of redeemable participating shares		452,697	454,451
Net asset value per redeemable participating share		329.47	258.81

Approved by the Board on 5 October 2017 and signed on its behalf by:

Director Director

The notes on pages 6 to 27 are an integral part of these financial statements.

	Number of redeemable participating shares	Management shares	Redeemable participating shares	Share premium	Retained earnings	Total
			USD	USD	USD	USD
At 1 January 2016	509,500	1,300	5,095	6,378,577	121,024,352	127,409,324
Total comprehensive loss for the year	-	-	-	-	3,375,208	3,375,208
Issue of shares (Note 12)	4,311	-	43	1,094,244	-	1,094,287
Redemption of shares (Note 12)	(59,360)	-	(593)	(7,472,821)	(6,784,462)	(14,257,876)
At 31 December 2016	454,451	1,300	4,545	-	117,615,098	117,620,943
Total comprehensive income for the period	-	-	-	-	**32,076,529**	**32,076,529**
Issue of shares (Note 12)	**5,178**	-	**52**	**1,584,355**	-	**1,584,407**
Redemption of shares (Note 12)	**(6,932)**	-	**(69)**	**(1,584,355)**	**(545,120)**	**(2,129,544)**
At 30 June 2017	**452,697**	**1,300**	**4,528**	-	**149,146,507**	**149,152,335**

The notes on pages 6 to 27 are an integral part of these financial statements.

	Notes	Half year ended 30 June 2017 Unaudited	Year ended 31 December 2016 Audited
		USD	USD
Cash flows from operating activities			
Profit before tax		**32,076,529**	3,375,208
Adjustments to reconcile profit to net cash from operating activities:			
Net change in the fair value of the financial assets	9	**(33,177,623)**	(5,339,601)
Net changes in operating assets and liabilities:			
Increase in prepayments		**(3,303)**	(873)
Increase / (decrease) in management fees payable		**18,084**	(4,513)
Increase in redemption payable and other payables		**66,110**	125,983
Proceeds from disposal of financial assets	9	**1,950,000**	15,495,000
Payment on purchase of financial assets	9	**(665,000)**	(150,000)
Net cash from operating activities		**264,797**	13,501,204
Cash flows from financing activities			
Proceeds from issue of shares	12	**1,584,407**	1,094,287
Payment for redemption of shares	12	**(2,129,544)**	(14,257,876)
Net cash used in financing activities		**(545,137)**	(13,163,589)
Net (decrease) / increase in cash and cash equivalents		**(280,340)**	337,615
Cash and cash equivalents at start of the period/year		**344,140**	6,525
Cash and cash equivalents at end of the period/year	8	**63,800**	344,140

1. GENERAL INFORMATION

INDIA ADVANTAGE FUND LIMITED (the "Company") was incorporated in Mauritius on 23 May 1996 as a public company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission under the Companies Act 2001. The Company operates as a Collective Investment Scheme ("CIS") (an authorisation issued by the Financial Services Commission under Section 97 of the Securities Act 2005 as a CIS Global scheme under the Securities (Collective Investment Schemes and Closed End Fund) regulations 2008.

The Company's principal investment objective is to achieve long term growth of capital through a diversified, research-based approach to investment in Indian securities.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Statement of compliance

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

(b) Basis of preparation

The financial statements are prepared on a historical basis except for financial assets at fair value through profit or loss that have been measured at fair value. The financial statements are presented in United States Dollar (USD).

The Company meets the definition of an investment entity as defined by IFRS 10 and its investment in the Sub Fund has been accounted as financial assets at fair value through profit and loss. These separate financial statements are the only financial statements presented by the Company.

(c) Foreign currency translation

Functional and presentation currency

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

Management determines the functional currency of the Company to be USD. In making this judgment, management evaluates among other factors, the regulatory and competitive environments, the fee and performance reporting structures of the Company and in particular, the economic environment of its investors.

Transactions and balances

Transactions during the year, including purchases and sales of securities are translated at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Foreign currency transaction gains and losses on financial assets classified at fair value through profit or loss are included in the statement of profit or loss and other comprehensive income as part of "net gain / loss on financial assets at fair value through profit or loss".

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments

Financial assets

Initial recognition and measurement

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

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value though profit or loss where transaction costs are taken to profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets are cash and cash equivalents, receivables included under loans and receivables, and financial assets at fair value through profit or loss.

Subsequent measurement

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

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated at fair value through profit or loss upon initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss as net loss or gain on financial assets at fair value through profit or loss.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date and only if the criteria under IAS 39 are satisfied. The Company has not designated any financial assets at fair value through profit or loss during the year.

The Company evaluates its financial assets at fair value through profit or loss, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When in rare circumstances the Company is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets. The reclassification to loans and receivables, available for sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, these instruments cannot be reclassified after initial recognition.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

Financial assets (Continued)

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Impairment

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is an objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value, and subsequently measured at amortised cost.

The Company's financial liabilities include short term payables.

Derecognition

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial instruments (Continued)

Offsetting of financial instruments

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 recognized amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities whose fair values are measured in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

All securities which are traded on a stock exchange are valued on the basis of their last traded prices. Listed securities for which there is an ascertainable market value will be valued generally at the last known price dealt with on the market on which the securities are traded on the relevant valuation day and unlisted securities for which there is no ascertainable market value will be valued at fair value. The directors may permit some other method of valuation to be used if they consider that such valuation better reflects fair value.

The investment in the Sub Fund is classified as fair value through profit or loss and is fair valued by using the net assets of the Sub Fund. The net assets of the Sub Fund is considered to be its fair value as there are no rights and obligations attached to the units of the Sub Fund that would result in the fair value being different to the net asset value.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

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

(f) Share capital

Classification of redeemable participating shares

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Company's net assets in the event of the Company's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments and all instruments in that class have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Company's net assets.

In addition to the instrument having all the above features, the Company must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Company, and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The Company's redeemable participating shares meet the definition of puttable instruments classified as equity instruments under the revised IAS 32, "Financial Instruments: Presentation", given that in the event of winding up, the assets available for distribution among the shareholders shall be applied in the following priority:

(i) First, to the holders of Class A, Class B and Class C Shares a sum equal to the nominal amount paid up on the shares held by such holders respectively; and

(ii) Second, to the holders of the Class C Shares and redeemable participating shares any balance remaining pertaining to their respective classes, as nearly as practicable in proportion to the number of Class C Shares and Participating Shares.

Consequently, the Company's redeemable participating shares are classified as equity instruments.

The Company continuously assesses the classification of the redeemable participating shares. If the redeemable participating shares cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of IAS 32, the Company will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of IAS 32, the Company will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and resale of redeemable participating shares are accounted for as equity transactions. Upon issuance of shares, the consideration received is included in equity.

No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Share capital (Continued)

Classification of management shares

The Class A and B management shares are non-redeemable and are classified as equity.

(g) Net gain or loss on financial assets at fair value through profit or loss

The net changes in fair value of financial assets at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income.

(h) Current and deferred income tax

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

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amendments to IFRS:

	Effective for accounting period beginning on or after
Amendment to IFRS 12 Annual improvements to IFRSs 2014-2016 cycle (Amendments to IFRS 12 Disclosure of Interest in other entities)	I January 2017
Amendment to IFRS 1 Annual Improvements to IFRS 2014-2016 cycle (Amendments to IFRS 1 First time – Adoption of IFRSs and IAS 28 Investments in Associates and Joint Ventures)	1 January 2018
IFRICb 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to IAS 40 Transfer of Investment Property	1 January 2018
IFRS 16 Leases	1 January 2019
Amendment to IFRS 2 Classification and Measurements of Share Based Payments Transactions	1 January 2018
Amendments to IFRS 4 Applying IFRS 9 Financial instruments with IFRS 4 Insurance contracts	1 January 2018
Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate or joint venture	Not yet published

4. STANDARDS ISSUED BUT NOT YET ADOPTED

The following standards, amendments to existing standards and interpretations were in issue but the Company has not adopted them yet. No early adoption of these standards and interpretations is intended by the Board of directors.

	Effective for accounting period beginning on or after
IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)	1 January 2017
IAS 7 Disclosure Initiative (Amendments to IAS 7)	1 January 2017
IFRS 9 Financial Instruments - Classification and measurement of financial assets, accounting for financial liabilities and derecognition	1 January 2018
IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 2 Classification and Measurement of Share-based Payment Transactions	1 January 2018
IAS 40 Transfers of Investment Property (Amendments)	1 January 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRS 1 First-time Adoption of International Financial Reporting Standards (Deletion of short term exemptions for first time adopters)	1 January 2018
IAS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment by investment choice	1 January 2018
IFRS 16 Leases	1 January 2019
IFRS 10 and IAS 28 (Amendments to sale or contribution of assets between an investor and its associate or joint venture	Effective date deferred indefinitely

An assessment of the standards, amendments to existing standards and interpretations that may impact on the Company's financial statements when they become effective, given existing operations and financial position, is as follows:

IAS 7 Disclosure Initiative (Amendments to IAS 7) – effective 1 January 2017

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide Comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. It currently has no impact on the financial position or performance of the Company and Company would adopt the new standard on the effective date.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – effective 1 January 2018

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Classification and measurement of financial assets

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 9 Financial Instruments – Classification and measurement of financial assets, Accounting for financial liabilities and derecognition – effective 1 January 2018 (Continued)

Hedge accounting

Hedge effectiveness testing is prospective, without the 80% to 125% bright line test in IAS 39, and, depending on the hedge complexity, can be qualitative. A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread, can be excluded from the designation as the hedging instrument and accounted for as costs of hedging. More designations of groups of items as the hedged item are possible, including layer designations and some net positions.

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held.

The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

The Company would adopt the new standard on the effective date and currently has no impact on the financial position or performance of the Company.

IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12 – effective 1 January 2018

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The Company would adopt the new standard on the effective date and currently has no impact on the financial position or performance of the Company.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration – effective 1 January 2018

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation; or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

4. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration – effective 1 January 2018 (Continued)

Early application of interpretation is permitted and must be disclosed. First-time adopters of IFRS are also permitted to apply the interpretation prospectively to all assets, expenses and income initially recognised on or after the date of transition to IFRS.

The amendments are intended to eliminate diversity in practice, when recognising the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration received or paid in foreign currency.

The Company is still assessing the impact of this new standard.

IFRS 10 and IAS 28 (Amendments to sale or contribution of assets between an investor and its associate or joint venture – effective date deferred indefinitely

This amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) was made to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

- it requires full recognition in the investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations); and
- it requires the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

The directors will assess the impact of the amendments when they become effective.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Judgements

In the process of applying the Company's accounting policies, the Company's Board of directors has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Going Concern

The Company's Board of directors has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Board of directors is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Assessment as investment entity

The Company's Board of directors has made an assessment of the Company's eligibility in satisfying the three elements of the definition per IFRS 10.27 as described under Note 2. Although the Company does not meet all of the typical characteristics of an investment entity, it possesses the three elements of the definition of an investment entity set out in IFRS 10, and is consequently classified as an investment entity. This conclusion will be reassessed on an annual basis, if any of these criteria or characteristics change.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company has based its assumption and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond control of the Company. Such changes are reflected in the assumption when they occur.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The fair value of the unquoted equity shares has been estimated using the net asset value of the Sub Fund and all investments held by the Sub Fund are quoted investments. The directors have determined that this was the most appropriate technique to value the investments.

6. INVESTMENT MANAGEMENT, MARKETING AND PROFESSIONAL FEES

Investment Management fees

On 18 July 1996, the Company entered into an Investment Management Agreement with Aditya Birla Sun Life AMC (Mauritius) Limited (previously known as Birla Sun Life AMC (Mauritius) Limited (the "Investment Manager"), a related party, pursuant to which the latter is entitled to a fee. Subsequent Supplemental Management Agreements were entered into from time to time to make amendments to the Investment Management Agreement.

With effect from 1 February 2012 pursuant to a Supplemental Management Agreement dated 18 January 2012, the Investment Manager is entitled to a monthly fee payable in arrears, accruing at the annual rate of 0.75% of the daily net asset value of the Company. The annual rate shall be subject to such adjustments as the investment committee of the Company shall consider necessary from time to time.

6. INVESTMENT MANAGEMENT, MARKETING AND PROFESSIONAL FEES (CONTINUED)

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

Marketing fees

On 23 May 2012, the Company entered into a Marketing and Services Agreement with Aditya Birla Sun Life Asset Management Company Ltd, Dubai (the "Agent"), pursuant to which the latter is entitled to a fee. Subsequent fee arrangement was entered to make amendments to the Marketing and Services Agreement.

With effect from 1 January 2017, the Agent is entitled to fees payable quarterly in arrears, accruing at the annual rate of 0.10% of the daily net asset value of the Company. The agreement shall be effective until terminated by either party giving thirty days' notice.

On 25 March 2014, the Company entered into a Marketing and Services Agreement with Aditya Birla Sun Life Asset Management Company Ltd, Singapore (the "Agent"), pursuant to which the latter is entitled to a fee. Subsequent fee arrangement was entered to make amendments to the Marketing and Services Agreement.

With effect from 1 January 2017, the Agent is entitled to fees payable quarterly in arrears, accruing at the annual rate of 0.40% of the daily net asset value of the Company. The agreement shall be effective until terminated by either party giving thirty days' notice.

Professional fees

International Financial Services Limited ("IFS") has been appointed to provide administrative, registrar and secretarial as well as tax compliance services to the Company in Mauritius and professional fees are paid to IFS.

7. DIRECTORS' INTERESTS AND REMUNERATION

None of the directors have any interest in the shares of the Company, except that Mr Couldip Basanta Lala is also director of IFS.

Directors' remuneration is disclosed under note 15.

8. CASH AND CASH EQUIVALENTS

	30 June 2017 Unaudited	31 December 2016 Audited
	USD	USD
Cash at bank	**63,800**	344,140

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company holds 100% unquoted equity shares in India Advantage (Offshore) Fund (the "Sub Fund"), a mutual fund incorporated in India.

During the financial year 2014, the Company acquired one subscriber share for EUR1 in ABSL Umbrella UCITS Fund Public Limited Company ("ABSL"), a company incorporated in Ireland. The subscriber share is measured at cost as it is unquoted and entitles its holder to return of only paid up capital on winding up.

	30 June 2017 Unaudited	31 December 2016 Audited
	USD	USD
At 1 January	**117,779,636**	127,785,035
Additions	**665,000**	150,000
Disposals	**(1,950,000)**	(15,495,000)
Net gain	**33,117,623**	5,339,601
At 31 December	**149,672,259**	117,779,636

The fair value of the unquoted equity shares of the Sub Fund has been determined using the net asset value. Management has determined that this is the most appropriate technique to value the investment in the Sub Fund. The directors consider this value to be a proxy for the fair value, given that the shares are unlisted.

10. FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Company's assets that are measured at fair value.

At 30 June 2017 - Unaudited

	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
Financial assets				
Fair value through profit or loss				
- Equity securities	**-**	**149,672,259**	**-**	**149,672,259**
	-	**149,672,259**	**-**	**149,672,259**

10. FAIR VALUE HIERARCHY (CONTINUED)

At 31 December 2016 - Audited

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Fair value through profit or loss				
- Equity securities	-	117,779,636	-	117,779,636
	-	117,779,636	-	117,779,636

There has been no transfer between the levels during the financial period/year under review.

11. OTHER PAYABLES AND ACCRUALS

	30 June 2017 Unaudited	31 December 2016 Audited
	USD	USD
Marketing expenses payable	**419,682**	394,268
Trailer fees payable	**37,216**	23,729
Director fees payable	**15,000**	-
Audit fees payable	**10,094**	10,143
Professional fees payable	**1,989**	1,000
General expenses payable	**2,460**	3,500
Payable to ABSL for subscriber shares	**1**	1
	486,442	432,641

12. SHARE CAPITAL AND SHARE PREMIUM

All issued redeemable participating shares are fully paid and are listed and traded on the Channel Islands Securities Exchange. The Company's capital is represented by management shares and redeemable participating shares. Quantitative information about the Company's capital is provided in the statement of changes in equity and in the tables below. Based on historical information for the years 2010-2017, between 5% to 15% of the Company's issued shares are redeemed annually at their net asset value calculated in accordance with redemption provisions. For the purpose of calculating the net asset value attributable to holders of redeemable shares, the Company's assets and liabilities are valued using the price of the most recent transactions which provide evidence of the current fair value.

As per the terms of the Constitution, the shares of the Company shall consist of 120 Class A shares of USD10.00 each, 80 Class B shares of USD10.00 each, Class C shares of USD0.01 each and redeemable participating shares to be issued in such classes of shares as the Directors may determine with such preferred or qualified or other special rights or restrictions whether in regard to voting, dividend, return of capital or otherwise. The Directors may issue such number of Class C shares, redeemable participating shares or classes of redeemable participating shares or fractions thereof.

Class A and Class B are management shares and Class C shares are redeemable participating shares classified as equity. The share capital and share premium of the Company consists of management shares and redeemable participating shares as detailed below:

12. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

Management shares

The shares issued and fully paid are as follows:

	Number of shares	Share capital
		USD
As at 30 June 2017 and 31 December 2016		
Class A shares	90	900
Class B shares	40	400
	130	1,300

The par value of the management shares is USD10 each. At 30 June 2017, the Class A and B shares were held by Aditya Birla Sun Life AMC Limited (previously known as "Birla Sun Life Asset Management Company Limited"). The Class A and Class B shares carry voting rights. No dividend is payable to the Class A and B shareholders.

Redeemable participating shares

The shares issued and fully paid are as follows:

Class C shares	Number of shares	Share capital	Share premium
		USD	USD
At 1 January 2016	509,500	5,095	6,378,577
Issue of shares	4,311	43	1,094,244
Redemption of shares	(59,360)	(593)	(7,472,821)
At 1 January 2017	454,451	4,545	-
Issue of shares	**5,178**	**52**	**1,584,355**
Redemption of shares	**(6,932)**	**(69)**	**(1,584,355)**
At 30 June 2017	**452,697**	**4,528**	-

The Class C shares are redeemable participating shares having par value of USD0.01 each and are entitled to notice of general meetings but are not entitled to attend or vote thereat, except in respect of a resolution to (i) vary the rights of the Class C shares (ii) approve any material change in the principal investment objective and policies of the Company from time to time (iii) wind up the Company.

The Class C shares may be issued and redeemed at prices based on the Company's net assets value as determined in accordance with the Constitution. Redemption is at the option of the shareholder. The Directors may from time to time if they think fit pay such interim and final dividends on Class C shares or participating shares in a class out of the assets of the class as appear to the Directors to be justified by the profits of the Class.

In case of winding-up, the assets available for distribution among the shareholders shall then be applied in the following priority:

(i) First, to the holders of Class A, Class B and Class C shares a sum equal to the nominal amount paid up on the shares held by such holders respectively; and

(ii) Second, to the holders of the Class C shares any balance remaining.

13. INCOME TAX

Mauritius

The Company is liable to pay tax in Mauritius on its chargeable income at the rate of 15%. As a holder of a Category 1 Global Business Licence, it is entitled to a credit in respect of foreign tax equivalent to the higher of actual foreign tax suffered or a deemed credit equivalent to 80% of the Mauritius income tax liability on foreign source income. The maximum effective tax rate is 3%. Gains or profits arising from sale of units or securities are tax-exempt in the hands of the Company in Mauritius. Dividends and redemption proceeds paid by the Company to its shareholders do not attract withholding tax.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of securities are exempt from tax.

The Company had no chargeable income for the period under review (31 December 2016: nil).

Reconciliation of tax charge and accounting profit

	Half year ended 30 June 2017 Unaudited	Year ended 31 December 2016 Audited
	USD	USD
Profit before tax	**32,076,529**	3,375,208
Tax at 15%	**4,811,479**	506,281
Tax effect of:		
Expense/income not subject to tax	**(4,976,643)**	(800,940)
Non allowable expenses	**165,164**	294,659
Tax loss carried forward	**-**	-
Income tax charge	**-**	-

India

The Company monitors proposed and issued tax laws, regulations and cases to determine the impact on uncertain tax positions. At 30 June 2017, there are no potential subsequent events, other than those described below, that would have a material impact on unrecognized income tax benefits within the next twelve months.

As a tax resident of Mauritius, the Company expects to obtain benefits under the double taxation treaty between India and Mauritius ("DTAA"). In 2016, the governments of India and Mauritius revised the existing DTAA where certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius.

Disposal of investments made by a Mauritius company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change and will continue to be exempted from capital gains tax in India. As per the revised DTAA, interest arising in India to Mauritian residents will be subject to withholding tax in India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Company's objective in managing risk is the creation and protection of shareholder's value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Company's continuing profitability.

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

Risk management structure

The Company's Investment Manager is responsible for identifying and controlling risks. The Board of directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach within the Company.

Risk mitigation

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy. The stock selection strategy identifies companies with sound corporate management and prospects of good future growth. Past performance of the companies is also taken into consideration with the focus remaining on long-term fundamentally driven values. However, short-term opportunities are also considered, provided that underlying values support them.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Equity price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares.

The Company is exposed to equity price risk because of investments held by the Company and classified on the statement of financial position as financial at fair value through profit or loss. The Company manages the equity price risk through diversification and placing limits on individuals and total equity instruments.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If equity prices had been 1.00% higher/lower, the effect on profit or loss and equity for the year would have been as follows:

Increase/decrease in equity prices	**Effect on profit or loss**	
	30 June 2017 Unaudited	31 December 2016 Audited
	USD	USD
+1.00%	**1,496,723**	1,177,796
-1.00%	**(1,496,723)**	(1,177,796)

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk (Continued)

Cash flow interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

No interest is being generated from cash held in the bank for the Company. Therefore the Company is not exposed to cash flow interest rate risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The primary exposure of the Company is to the Sub Fund, which is denominated in Indian Rupee ("INR"). The underlying assets of the Sub Fund are only in INR. The objective is to generate returns linked to the Indian equity markets and the currency risk is borne by the investor. The currency risk is appropriately highlighted in the risk factors in the offer document. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the INR may change in a manner which has a material effect on the reported value of the Company's investments denominated in INR.

The following demonstrates the sensitivity to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Company's profit or loss.

	Increase/decrease in foreign exchange rate	Effect on profit or loss	
		30 June 2017 Unaudited	31 December 2016 Audited
		USD	USD
INR denominated financial assets	+1%	**(1,481,904)**	(1,166,135)
	-1%	**1,511,841**	1,189,693

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

	Financial assets 30 June 2017 Unaudited	**Financial liabilities 30 June 2017 Unaudited**	Financial assets 31 December 2016 Audited	Financial liabilities 31 December 2016 Audited
	USD	**USD**	USD	USD
Indian Rupee	**149,672,259**	**-**	117,779,635	-
United States dollar	**63,800**	**591,838**	344,140	507,644
EURO	**-**	**1**	1	1
	149,736,059	**591,839**	118,123,776	507,645

Prepayments amounting to USD8,115 (2016: USD4,812) have not been included in financial assets.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk concentration is its cash and cash equivalents and other receivables.

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these financial assets.

The Company manages credit risk related to cash and cash equivalents by banking with reputable financial institutions.

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

	Carrying amount 30 June 2017 Unaudited	Carrying amount 31 December 2016 Audited
	USD	USD
Cash and cash equivalents	**63,800**	344,140

The financial assets are neither past due nor impaired at reporting date and no collateral is held for these financial assets. The cash and cash equivalents are maintained with reputable financial institutions.

The Company is not exposed to credit risk with respect to its investment in financial assets at fair value.

Concentration risk

The Company holds investments in India which involves certain considerations and risks not typically associated with investments in other more developed countries. Future economic and political developments in India could adversely affect the operations of the investee companies.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company is not exposed to any significant liquidity risk.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

	30 June 2017 Unaudited		31 December 2016 Audited	
	On demand	**Total**	On demand	Total
	USD	**USD**	USD	USD
Cash and cash equivalents	**63,800**	**63,800**	344,140	344,140
Financial assets at fair value through profit or loss	**149,672,259**	**149,672,259**	117,779,636	117,779,636
Total financial assets	**149,736,059**	**149,736,059**	118,123,776	118,123,776

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk (Continued)

	30 June 2017 Unaudited			31 December 2016 Audited		
	On demand	3 to 6 months	Total	On demand	3 to 6 months	Total
	USD	USD	USD	USD	USD	
Management fees payable	92,648	-	92,648	74,564	-	74,564
Redemption payable	12,749	-	12,749	440	-	440
Other payables and accruals	486,442	-	486,442	408,912	23,729	432,641
Total financial liabilities	591,839	-	591,839	483,916	23,729	507,645

Fair values of financial instruments

The fair value of the Company's investment has been estimated using the net asset value of the Sub Fund. The Company's other financial assets and liabilities approximate their fair values given their short term nature.

15. RELATED PARTY DISCLOSURES

During the period under review, the Company transacted with the following related parties. The nature, volume of transactions and balances with related parties are as follows:

Name of company	Relationship	Nature of transactions	Volume of transactions 30 June 2017 Unaudited	Volume of transactions 31 Dec 2016 Audited	Balances 30 June 2017 Unaudited	Balances 31 Dec 2016 Audited
			USD	USD	USD	USD
Aditya Birla Sun Life AMC (Mauritius) Limited	Investment manager	Investment management fees	514,825	890,742	92,648	74,564
India Advantage (Offshore) Fund	Subsidiary	Additions & Disposal (Note 9)	(1,285,000)	(15,345,000)	149,672,259	117,779,635
ABSL Umbrella UCITS Fund Public Limited Company	Investee Company	Subscriber shares	-	-	1	1
International Financial Services Limited	Administrator and Secretary	Professional fees	49,200	84,287	1,989	1,000
Mr Subhas Chandra Lallah	Director	Director fees	5,000	10,000	5,000	-
Mr Adesh Kumar Gupta	Director	Director fees	5,000	15,000	5,000	
Mr Mark Christopher Rogers	Director	Director fees	5,000	10,000	5,000	

15. RELATED PARTY DISCLOSURES (CONTINUED)

Investment management fees

The Company has entered into an Investment Management Agreement with Aditya Birla Sun Life AMC (Mauritius) Limited (previously known as "Birla Sun Life AMC (Mauritius) Limited") (the "Investment Manager"). During the period under review, the Company transacted with the Investment Manager.

As disclosed under Note 6, the Investment Manager is entitled to a fee, accrued on a daily basis at the rate of 0.75% of the daily NAV of the Company. It is payable monthly in arrears (within seven days of the end of the period in respect of which the payment falls to be made) in US dollars or as may otherwise be agreed.

Professional fees

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

Directors' fees

The independent directors, Messrs Subhas Lallah, Mark Christopher Rogers and Adesh Kumar Gupta, are each entitled to receive directors' fees of USD 10,000 per annum.

For the period under review, directors' fees to Messrs Subhas Chandra Lallah and Adesh Kumar Gupta amount to USD15,000 (year ended 31 December 2016: USD35,000).

The directors are independent of the Administrator and the Investment Manager and do not have any shareholding in the Company.

16. 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 shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. As a result of the ability to issue, repurchase and resell shares, the capital of the Company can vary depending on the demand for redemptions and subscriptions to the Company. The Company is not subject to externally imposed capital requirements.

The Company also maintains an appropriate level of liquidity, in view of meeting shareholder's redemption request and to meet its liabilities when they fall due. Therefore the Company maintains an adequate level of liquidity in its investment and mainly invest in listed equities through the sub fund which are considered as highly liquid investment and can be realised upon short term notice.

The Company meets its objectives by:

(i) investing the proceeds from investors in investments meeting the description, risk exposure and expected return indicated in its prospectus;
(ii) achieving consistent returns while safeguarding investor fund by investing in diversified portfolio and by using various investment strategies;
(iii) maintaining sufficient liquidity to meet its expenses and to meet redemption requests as they arise; and
(iv) maintaining sufficient size to make its operation cost-efficient.

17. EVENTS AFTER THE REPORTING DATE

There have been no material events since the end of the reporting period which would require disclosures or adjustments to the financial statements for the half year ended 30 June 2017.

Directors	Date of appointment	Date of resignation
Couldip Basanta Lala	23 May 1996	-
Subhas Chandra Lallah *	26 November 1999	-
Mithilesh Lallah (permanent alternate director to Mr Subhas Chandra Lallah)	16 August 2011	-
Dwarka Dass Rathi	8 August 2012	10 August 2017
Adesh Kumar Gupta *	8 August 2012	-
Mark Christopher Rogers *	2 April 2014	-

(*) Independent of Investment Manager

Investment Manager

Aditya Birla Sun Life AMC (Mauritius) Limited (previously known as Birla Sun Life AMC (Mauritius) Limited)
IFS Court, Bank Street
TwentyEight, Cybercity
Ebène 72201
Mauritius

Registered Office

IFS Court, Bank Street
TwentyEight, Cybercity
Ebène 72201
Mauritius

Administrator, Secretary and Registrar

International Financial Services Limited
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TwentyEight, Cybercity
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Mauritius

Banker

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Ebène
Mauritius

Auditors

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