THOMAS COOK (MAURITIUS) HOLIDAYS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

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FOR THE PERIOD ENDED 31 MARCH 2015

CONTENTS **PAGES**

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

COMPANY INFORMATION

			Date appointed	Date resigned
DIRECTORS	:	Mr Madhavan Menon	14 June 2004	18 February 2015
		Mr Mahesh Iyer	07 December 2012	
		Mr Harsha Raghavan	07 December 2012	
		Mr Mohinder Dyall	04 September 2013	
		Mr Ramakrishna Sithanen	12 November 2013	07 October 2014
		Miss Shibani Shirish Phadkar	18 February 2015	

ADMINISTRATION & SECRETARY : Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port - Louis
Republic of Mauritius

REGISTERED OFFICE : Anglo Mauritius House

4, Intendance Street
Port - Louis
Republic of Mauritius

AUDITOR : PricewaterhouseCoopers
18, Cybercity
Ebène
Republic of Mauritius

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

DIRECTORS REPORT

The directors present their annual report and the audited financial statements of the Company for the period ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of a tour operator and travel agent.

REVIEW OF THE BUSINESS

The loss for the period ended 31 March 2015 amounted to **Rs 5,029,054** (period ended 31 December 2013 – Rs 3,959,223). The directors have not declared any dividends during the period ended 31 March 2015 (Period ended 31 December 2013: Rs NIL).

CHANGE IN ACCOUNTING PERIOD

The Company has changed its financial year end to 31 March. Comparative results refer to the period from 01 October 2012 to 31 December 2013, whereas the current period results refer to the period from 01 January 2014 to 31 March 2015.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

The financial statements of the Company for the period ended 31 March 2015 are set out on pages 7 to 31. The auditor's report on these financial statements is on pages 5 and 6.

DIRECTORS

The list of directors of the Company who held office during the year is set out on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The directors 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 Mauritian 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.

DIRECTORS' INTERESTS

The directors do not hold any interests in the ordinary share capital of the Company.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

DIRECTORS REPORT (CONTINUED)

SIGNIFICANT CONTRACTS

No contracts of significance or loans existed during the period under review between the Company and its Directors.

DONATIONS

The Company made no donations during the period (Period ended 31 December 2013 – Rs Nil).

FEES PAID TO AUDITOR

The fees, excluding VAT charged by the auditor, PricewaterhouseCoopers, for audit and other services, were:

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Audit Fees	**160,000**	150,000
Tax services	**26,250**	26,250
	186,250	176,250

AUDITOR

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

Authorised for issue by the Board of directors on May 0 7 2015
and signed on its behalf by:

}
} **DIRECTORS**
}

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

15 MONTHS ENDED 31 MARCH 2015

SECRETARY'S CERTIFICATE

In our capacity as Company Secretary, we hereby certify, to the best of our knowledge and belief, that **Thomas Cook (Mauritius) Holidays Limited** has filed with the Registrar of Companies, for the financial period ended 31 March 2015, all such returns as are required of the Company under The Mauritius Companies Act 2001, and that all such returns are true, correct and up to date.

EXECUTIVE SERVICES LIMITED
Per Ah Man WONG TOO YAN
Secretary

Date: May 07 2015

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Independent Auditor's Report

To the Shareholder of Thomas Cook (Mauritius) Holidays Ltd

Report on the Financial Statements

We have audited the financial statements of Thomas Cook (Mauritius) Holidays Ltd (the "Company") on pages 7 to 31 which comprise the statement of financial position at 31 March 2015 and the statements of comprehensive income, changes in equity and cash flows for the period from 01 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's 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 requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

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Business Registration Number : F07000530

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Independent Auditor's Report

To the Shareholder of Thomas Cook (Mauritius) Holidays Ltd

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements on pages 7 to 31 give a true and fair view of the financial position of the Company at 31 March 2015 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

PricewaterhouseCoopers

Mushtaq Oosman, licensed by FRC

07 May 2015

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

		31 March 2015	31 December 2013
		Rs	Rs
ASSETS			
Non-current assets			
Equipment (Note 4)		925,664	1,206,890
Intangible asset (Note 5)		17,719	30,759
Total non-current assets		943,383	1,237,649
Current assets			
Trade and other receivables (Note 6)		4,114,077	12,548,166
Cash at bank and in hand (Note 7)		11,890,955	4,761,375
Total current assets		16,005,032	17,309,541
Total assets	Rs	16,948,415	18,547,190
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital (Note 8)		18,326,000	1,310,000
Share application monies (Note 8)		-	2,516,000
Accumulated losses		(19,537,500)	(14,494,416)
Net equity		(1,211,500)	(10,668,416)
Non-current liabilities			
Obligations under finance leases (Note 15)		448,176	644,984
Gratuity obligations (Note 9)		44,000	16,000
		492,176	660,984
Current liabilities			
Trade and other payables (Note 11)		17,508,357	28,413,895
Obligations under finance leases (Note 15)		159,382	140,727
		17,667,739	28,554,622
Total liabilities		18,159,915	29,215,606
Total equity and liabilities	Rs	16,948,415	18,547,190

These financial statements have been approved for issue by the Board of Directors on May 07 2015

Name of directors	Signature
....	....
....	....

The notes set out on pages 11 to 31 are an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

	Period from 01 January 2014 to 31 March 2015	Period from 01 October 2012 to 31 December 2013
	Rs	Rs
Commission receivable (Note 13)	7,033,238	8,810,268
Other operating income	843,918	359,023
Administrative expenses	(12,913,768)	(13,341,535)
Operating loss	(5,036,612)	(4,172,244)
Finance income	95,580	186,733
Finance cost	(88,052)	(62,886)
Finance income – net	7,528	123,847
Loss before income tax (Note 14)	(5,029,084)	(4,048,397)
Income tax (Note 12)	-	89,174
Loss for the period	(5,029,084)	(3,959,223)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of gratuity on retirement (Note 9)	(14,000)	-
Total comprehensive income for the period	(5,043,084)	(3,959,223)

The notes set out on pages 11 to 31 are an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

	Stated capital Rs	Share application monies Rs	Accumulated losses Rs	Total Rs
At 01 October 2012	1,310,000	2,516,000	(10,535,193)	(6,709,193)
Comprehensive loss				
Loss for the period	-	-	(3,959,223)	(3,959,223)
Total comprehensive income for the period	-	-	(3,959,223)	(3,959,223)
At 31 December 2013	1,310,000	2,516,000	(14,494,416)	(10,668,416)
Issue of share capital(Note 8)	14,500,000	-	-	-
Conversion of share application monies into stated capital	2,516,000	(2,516,000)	-	-
Comprehensive income				
Loss for the period	-	-	(5,029,084)	(5,029,084)
Remeasurements of post employment benefit obligations	-	-	(14,000)	(14,000)
Total comprehensive income for the period	17,016,000	-	(5,043,084)	(5,043,084)
At 31 March 2015	**Rs 18,326,000**	-	**(19,537,500)**	**(1,211,500)**

The notes set out on pages 11 to 31 are an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

		Period from 01 January 2014 to 31 March 2015	Period from 01 October 2012 to 31 December 2013
		Rs	Rs
Cash flows from operating activities			
Loss before income tax		(5,029,084)	(4,048,397)
Adjustments for:			
Interest expense		88,052	62,886
Depreciation of equipment (Note 4)		255,595	346,730
Amortisation of Intangible assets (Note 5)		22,840	27,966
Loss on disposal of equipment		78,573	214,563
Gratuity charge		14,000	5,000
Impairment charge on trade receivables(Note 6)		-	1,267,734
Reversal of impairment of trade receivables(Note 6)		(684,105)	-
Interest income		(95,580)	(186,733)
Operating cash flows before working capital changes		(5,349,709)	(2,310,251)
Decrease/(increase) in trade and other receivables		9,118,194	(9,021,440)
(Decrease)/increase in trade and other payables		(10,905,538)	7,720,075
Net cash used in operations		(7,137,053)	(3,611,616)
Interest paid		(88,052)	(62,886)
Income tax paid		-	(4,449)
Net cash used in operating activities		(7, 225,105)	(3,678,951)
Cash flows from investing activities			
Purchase of equipment		(52,942)	(249,144)
Interest income		95,580	186,733
Purchase of software		(9,800)	(16,892)
Proceeds from sale of equipment		-	772,000
Net cash from investing activities		32,838	692,697
Cash flows from financing activities			
Issue of share capital (Note 8)		14,500,000	-
Principal payment of finance lease		(170,153)	(893,880)
Net cash from/ (used in) financing activities		14,321,847	(693,580)
Net increase/(decrease) in cash and cash equivalents		7,129,580	(3,679,834)
Cash and cash equivalents at beginning of period		4,761,375	8,441,209
Cash and cash equivalents at period end (Note 7)	Rs	11,890,955	4,761,375

The notes set out on pages 11 to 31 are an integral part of these financial statements.

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015

1 CORPORATE INFORMATION

Thomas Cook (Mauritius) Holidays Ltd (the "Company") is a private company limited by shares incorporated in Mauritius. The registered office is situated at Ground Floor, Anglo Mauritius House, 4 Intendence Street, Port Louis.

The main activity of the Company is to deal in inbound and outbound travel packages.

2 ACCOUNTING POLICIES

The principal accounting policies applied 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.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention. The financial statements are presented in Mauritian Rupee ('Rs').

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The Company current assets exceed its current liabilities by **Rs 1,662,707** (31 December 2013 – Rs 11,245,081) and is in a net liability position of **Rs 1,211,500** at 31 March 2015 (31 December 2013– Rs 10,668,416). The intermediate parent, Thomas Cook (India) Limited has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue its operations in the foreseeable future and will provide financial support so that the Company meets the financing of its liabilities. Consequently, the directors have prepared the financial statements on a going concern basis.

Changes in accounting policies and disclosures

(a) New standards amendments and interpretations adopted by the Company

The following standards have been adopted by the Company for the first time for the financial period beginning on or after 01 January 2014 and have no material impact on the Company's financial statements

Amendment to IAS 19, 'Employee benefits' regarding employee or third party contributions to defined benefit plans. The amendment applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives.

2 ACCOUNTING POLICIES (CONTINUED)

(a) New standards amendments and interpretations adopted by the Company (Continued)

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Company is not currently subjected to significant levies so the impact on the Company is not material. Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Company's financial statements.

(b) New standards amendments and interpretations not yet adopted by the Company

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 01 January 2014, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 01 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

Foreign currency translation

Functional currency and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Mauritian Rupee' (Rs), which is the Company's functional currency.

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 at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income/(loss)'.

2 ACCOUNTING POLICIES (CONTINUED)

Equipment

Equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Office equipment:	4.75%
Computer equipment:	25.00%
Furniture and fittings:	6.33%
Motor vehicles:	15.00%

Depreciation is provided in full in the month of addition and in respect of assets written off and disposed, up to the month of write off and disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other operating income/ (loss)' in the statement of comprehensive income.

Intangible assets – Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (4 years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

2 ACCOUNTING POLICIES (CONTINUED)

Intangible assets – Computer software (Continued)

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives which does not exceed 4 years.

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets other than goodwill are reviewed for possible reversal of the impairment at the end of each reporting period.

Financial assets

Classification
The Company classifies its financial assets as: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at 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. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash at bank and in hand' in the statement of financial position.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

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

2 ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Assets carried at amortised cost (Continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months. In the statement of financial position, bank overdrafts are shown separately within current liabilities.

Share capital

Ordinary shares are classified as equity. Where the Company purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2 ACCOUNTING POLICIES (CONTINUED)

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Current income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

Gratuity obligations

The Company does not operate a pension scheme for its employees. Employees are entitled to a gratuity payment on retirement under the terms of the Employment Rights Act 2008. Accordingly the Company's qualified actuary has determined for the gratuity obligations in line with the requirements of the Employment Rights Act 2008 at the end of the reporting period and the Company has booked this obligation in the statement of financial position.

2 ACCOUNTING POLICIES (CONTINUED)

Employee benefits (Continued)

The liability recognised in the statement of financial position in respect of gratuity obligations is the present value of the gratuity obligations at the end of the reporting period. The gratuity obligations is calculated annually by independent actuaries. The present value of the gratuity obligations is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Benefits falling due more than 12 months after the reporting period are discounted to their present value.

Employee benefits include wages, salaries, social security contributions, travelling and insurance. These costs are charged to profit or loss when incurred.

Employee leave entitlement

Employee entitlement to annual leave and other benefits are supposed to be recognised when they accrue to the employees. However the Company encourages all employees to take all their annual leave and other benefits during the year and hence there is no provision required.

Provisions

Provisions for restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 ACCOUNTING POLICIES (CONTINUED)

Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of air tickets and tour packages

Fees and commissions on air tickets and travel packages sold by the Company are recognised when the service has been provided. Commissions earned as the general sales agent of airline operators are recognised on the basis of the revenue derived by the airline operator from all ticket sales made in Mauritius.

Sale of Euro rail tickets

Fees and commissions on Euro rail tickets sold by the Company are recognised when the service has been provided.

L'express sales

Fees and Commission earned on l'express sale are recognised when the service has been provided and is derived on the basis of the revenue from the l'express sale made by the Company.

Sale of travel insurance

Fees and Commission earned on sale of travel insurance sold by the Company are recognised when the service has been provided.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2 ACCOUNTING POLICIES (CONTINUED)

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases certain equipment. Leases of equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, obligations under finance leases and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in Note 17.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Depreciation and amortisation rates

The Company depreciates or amortises its assets over their estimated useful lives. The estimation of useful lives is based on historical performance and expectation about future use and requires significant degree of judgement.

4 EQUIPMENT

		Office equipment	Computer equipment	Furniture and fittings	Motor vehicles	Total
Cost		Rs	Rs	Rs	Rs	Rs
At 01 October 2012		490,135	693,791	818,047	717,210	2,719,183
Additions		2,490	75,690	33,695	977,604	1,089,479
Disposal		(334,635)	(546,637)	(646,201)	(717,210)	(2,244,683)
At 31 December 2013		157,990	222,844	205,541	977,604	1,563,979
Additions		-	49,290	3,652	-	52,942
Disposal		(100,000)	(14,575)	-	-	(114,575)
At 31 March 2015	Rs	57,990	257,559	209,193	977,604	1,502,346
Depreciation						
At 01 October 2012		195,498	649,068	397,018	26,895	1,268,479
Charge for the year		9,347	32,479	168,829	136,075	346,730
Disposal		(163,497)	(540,387)	(464,586)	(89,650)	(1,258,120)
At 31 December 2013		41,348	141,160	101,261	73,320	357,089
Charge for the period		9,375	46,198	16,722	183,300	255,595
Disposal		(22,565)	(13,437)	-	-	(36,002)
At 31 March 2015	Rs	28,158	173,921	117,983	256,620	576,682
Net book value						
At 31 March 2015	Rs	29,832	83,638	91,210	720,984	925,664
At 31 December 2013	Rs	116,642	81,684	104,280	904,284	1,206,890

At 31 March 2015, motor vehicles acquired under finance leases had a net book value of Rs 720,984 (31 December 2013: Rs 904,284). The Company leases a vehicle under non cancellable finance lease agreements. The lease terms are up to 5 years.

5 INTANGIBLE ASSETS

		Software
Cost		Rs
At 01 October 2012		105,148
Additions		16,892
At 31 December 2013		122,040
Additions		9,800
At 31 March 2015	Rs	**131,840**
Depreciation		
At 01 October 2012		63,315
Charge for the year		27,966
At 31 December 2013		91,281
Charge for the period		22,840
At 31 March 2015	Rs	**114,121**
Net book value		
At 31 March 2015	Rs	**17,719**
At 31 December 2013	Rs	30,759

6 TRADE AND OTHER RECEIVABLES

		31 March 2015	31 December 2013
		Rs	Rs
Trade receivables		**2,340,568**	6,129,887
Provision for doubtful debts		**(1,344,517)**	(2,028,622)
		996,051	4,101,265
Amounts due by related parties (Note 16)		**1,530,139**	8,252,619
Other receivables and prepayments		**1,587,887**	194,282
	Rs	**4,114,077**	12,548,166

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

The maximum exposure to credit risk at the end of the reporting period is equal to the carrying value of each class of trade and other receivables mentioned above.

Amounts receivable from related companies contain no provision for impairment as they are fully performing and the directors consider these to be fully recoverable.

As of 31 March 2015, trade receivables of **Rs 877,033** (31 December 2013: Rs 3,997,383) were fully performing, that is neither past due nor impaired.

6 TRADE AND OTHER RECEIVABLES (CONTINUED)

As of 31 March 2015, trade receivables of **Rs 119,256** (31 December 2013: Rs 103,882) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default and the directors have assessed that these will be recoverable in the foreseeable future.

As of 31 March 2015, trade receivables of **Rs 1,344,517** (31 December 2013: Rs 2,028,622) were impaired and fully provided for. The individually impaired receivables mainly relate to customers who are either in financial difficulty or where management believe that these receivables are unlikely to be recovered in the foreseeable future The ageing analysis of these trade receivables is as follows:

	31 March 2015 Rs	31 December 2013 Rs
Not past due	877,033	3,997,383
Past due but not impaired		
31 - 90 days	**119,256**	20,577
91-120 days	-	1,117
+120 days	-	82,188
	119,256	103,882
Past due and impaired	1,344,279	2,028,622
	2,340,568	6,129,887

The carrying amount of the Company's trade receivables is denominated in the following currencies:

	31 March 2015 Rs	31 December 2013 Rs
Mauritian rupee	**2,125,325**	2,056,909
United States dollar	**215,243**	4,072,978
	2,340,568	6,129,887

Movement on the Company's provision for impairment of trade receivables are as follows:

	31 March 2015 Rs	31 December 2013 Rs
At start of period	**2,028,622**	760,888
(Reversal of)/ additional provision for impairment	**(684,105)**	1,267,734
At end of period	1,344,517	2,028,622

6 CASH AND CASH EQUIVALENTS

		31 March 2015	31 December 2013
		Rs	Rs
Cash in hand		4,150	5,601
Cash at bank		11,886,805	4,755,774
Total cash in hand and at bank	Rs	11,890,955	4,761,375

8 STATED CAPITAL

		31 March 2015	31 December 2013
		Rs	Rs
(a) Stated capital			
Issued and fully paid:			
183,260 Ordinary shares of Rs100 each	Rs	18,326,000	1,310,000

		31 March 2015	31 December 2013
		Rs	Rs
At start of the year		1,310,000	1,310,000
Issue during the year		17,016,000	-
At end of the year	Rs	18,326,000	1,310,000

The Company has one class of ordinary share which carries a right to vote but no right to fixed income.

(b) Share application monies

The share application monies represented funds transferred by the holding company, Thomas Cook (Mauritius) Holding Company Limited, pending allotment of shares. The share application monies have been converted to stated capital as at 31 March 2015.

9 GRATUITY OBLIGATIONS

(a) Under the Employment Rights Act 2008

The Company has recognised a net defined liability of **Rs 44,000** in the statement of financial position as at 31 March 2015 (31 December 2013 – Rs 16,000) in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees as per the Employment Rights Act 2008.

		31 March 2015 Rs	31 December 2013 Rs
At start of period		**16,000**	11,000
Charged to profit or loss		**14,000**	6,000
Debit to other comprehensive income		**14,000**	(1,000)
At end of period	Rs	**44,000**	16,000

10 DEFERRED INCOME TAX (ASSETS)/LIABILITIES

The movement in deferred tax during the year is as follows:

		31 March 2015 Rs	31 December 2013 Rs
At start of period		-	89,174
Credited to profit or loss		-	(89,174)
At end of period	Rs	-	

The Company has not recognised deferred tax assets of **Rs 1,917,085** (31 December 2013: Rs 1,026,167). The directors are of the opinion that under the volatile economic situation where there is a lack of visibility over the long term, there is doubt that the Company can generate sufficient future taxable income to extinguish the deferred tax assets arising on the following temporary differences:

	At 31 March 2015 Rs	At 31 December 2013 Rs
Accumulated tax losses	**1,605,480**	656,403
Gratuity obligations	**7,480**	2,720
Provision for impairment of trade receivables	**228,527**	344,866
Accelerated capital allowance over depreciation	**75,597**	22,088
	1,917,085	1,026,167

The expiry dates of the accumulated tax losses are as follows:

31 March 2019	**4,813,021**
31 March 2020	**4,644,980**
	9,458,001

11 TRADE AND OTHER PAYABLES

		31 March 2015 Rs	31 December 2013 Rs
Trade payables		1,301,253	6,193,651
Amounts due to related parties (Note 16)		9,891,358	13,727,668
Other payables and accruals		6,315,746	8,492,576
	Rs	17,508,357	28,413,895

The average credit period on purchase of air ticket is 30 days. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

12 INCOME TAX

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
(a) **Income tax expense**		
Current tax liability	-	-
Deferred income tax (credit)/charge (Note 10)	-	(89,174)
	-	(89,174)

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Loss before income tax	(5,029,084)	(4,048,397)
Tax calculated at a rate of **17%** (2013: 17%)	**(854,944)**	(688,227)
Adjustments for:-		
Last year's provision paid in the current year	-	10,554
Non-deductible expenses	**11,789**	(289,000)
Deferred tax asset not recognised (Note 10)	**843,155**	877,499
Income tax expense for the year	-	(89,174)

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

13 COMMISSION INCOME

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Gross billings	**106,743,478**	137,016,533
Costs paid to service providers	**(99,710,240)**	(128,206,265)
	7,033,238	8,810,268

14 LOSS FOR THE PERIOD

Loss for the period is arrived at after charging:

Depreciation on equipment	**255,595**	346,730
Amortisation of intangible assets	**22,840**	27,966
Staff costs:		
Salaries and allowances	**6,095,793**	7,939,420
Social security costs	**206,422**	255,439
State pension plan		
National Pension Scheme Contribution expensed	**185,034**	168,179

15 OBLIGATIONS UNDER FINANCE LEASES

Leasing arrangement

Finance leases relate to motor vehicles with lease terms of 5 years. The Company has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreement. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Fair value

The fair value of the finance lease liabilities is approximately equal to their carrying amount as the effect of discounting is not significant.

Finance lease liabilities

	Minimum lease payments		Present value of minimum lease Payments	
	31 March 2015 Rs	31 December 2013 Rs	**31 March 2015 Rs**	31 December 2013 Rs
Within one year	**212,964**	212,964	**159,382**	140,727
Between 2 and 5 years	**505,321**	771,525	**448,176**	644,984
	718,285	984,489	**607,558**	785,711
Less:				
Future finance charges	**(110,727)**	(198,778)	-	-
	607,558	785,711	**607,558**	785,711

THOMAS COOK (MAURITIUS) HOLIDAYS LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

16 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related only in one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Amounts due by related parties:

	31 March 2015 Rs	31 December 2013 Rs
(i) Thomas Cook (India) Ltd		
At start of period	7,602,017	-
Expenses paid by the Company	1,530,139	7,602,017
Payments received by the Company	(7,602,017)	-
At end of period	1,530,139	7,602,017
(iii) Thomas Cook (Mauritius) Travel Ltd		
At start of period	650,602	596,310
Expenses paid by the Company	-	54,292
Payment received by the Company	(650,602)	
At end of period	-	650,602
Total amount due by related parties	1,530,139	8,252,619

Amounts due to related parties:

	31 March 2015 Rs	31 December 2013 Rs
(i) Thomas Cook (Mauritius) Operations Company Limited		
At start of period	13,727,668	9,674,421
Expenses paid on behalf of the Company	1,039,420	4,053,247
Amount repaid by the Company	(5,000,000)	-
At end of period	9,767,088	13,727,668
(iii) Thomas Cook (India) Ltd		
At start of period	-	377,321
Payment/(receipts) on behalf of the Company	124,270	(377,321)
At end of period	124,270	-
Total amount due to related parties	9,891,358	13,727,668

The amounts receivable from/payable to related parties are unsecured, interest free and repayable on demand.

17 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit 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 is carried out by finance function under policies approved by the board of directors. The board provides guidance for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior year.

The capital structure of the Company consists of debt, which includes borrowings, offset by cash and cash equivalents and equity comprising issued capital, and accumulated losses.

Fair values

Except where stated elsewhere, the carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Categories of financial instruments

	31 March 2015 Rs	31 December 2013 Rs
Financial assets (Loans and receivables)		
Trade and other receivables	3,373,520	12,353,884
Cash in hand and at bank	11,890,955	4,761,375
	15,264,475	17,115,259
Financial liabilities (at amortised cost)		
Trade and other payables	17,282,586	28,413,895
Obligations under finance leases	607,558	785,711
	17,890,144	29,199,606

Currency risk

The Company is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below may change in a manner which has a material effect on the reported values of its assets and liabilities.

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Currency profile of the Company's financial assets and financial liabilities is summarised below:

	Financial assets		Financial liabilities	
	31 March 2015	31 December2013	**31 March 2015**	31 December2013
	Rs	Rs	**Rs**	Rs
Currency				
Mauritius rupee	13,245,434	6,332,443	15,015,232	28,566,934
United States dollar	2,019,041	10,782,816	2,874,912	632,672
	15,264,475	17,115,259	17,890,144	29,199,606

Foreign currency sensitivity analysis

The Company is mainly exposed to United States dollar.

The following table details the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the United States Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10 % change in foreign currency rates. A negative number below indicates a decrease in profit/an increase in loss where the Mauritian Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Impact of 10% increase of the Mauritian Rupee against the United States Dollar:		31 March 2015	31 December 2013
		Rs	Rs
Loss/profit	Rs	(85,587)	1,015,014

The above is mainly attributable to the Company's exposure outstanding on receivables and exposure on cash and cash equivalents. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as period year end exposure does not reflect the exposure during the period.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by management based on prior experience and represents the company's maximum exposure to credit risk. Refer to Note 6 for disclosure on financial risk management with respect to credit risk.

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

The Company is not exposed to cash flow interest rate risk as it does not borrow funds at floating interest rate.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

As the financial liabilities is due within one year, the directors expect that the effect of discounting is not material and approximates the fair value.

The maturity profile of the financial instruments is summarised as follows:

31 March 2015	Within 1 year Rs	Between 1-2 years Rs	Between 2-5 years Rs	Total Rs
Trade and other payables	17,282,586	-	-	17,282,586
Obligations under finance lease	212,964	212,964	292,357	718,285
	17,495,550	212,964	292,357	18,000,871
31 December 2013				
Trade and other payables	28,413,895	-	-	28,413,895
Obligations under finance lease	212,964	212,964	558,561	984,489
	28,626,859	212,964	558,561	29,398,384

18 CONTINGENT LIABILITIES

At 31 March 2015, there were contingent liabilities in respect of guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise. At 31 March 2015, bank guarantees amounted to Rs 3,130,000 (2013 - Rs1,900,000).

19 HOLDING AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company, Thomas Cook (Mauritius) Holding Company Limited holds 100 % of the shares of the Company. Thomas Cook (India) Limited, a Company incorporated in India, holds 100% of the shares of Thomas Cook (Mauritius) Holding Company Limited.

Fairbridge Capital (Mauritius) Limited ("Fairbridge"), a subsidiary of Fairfax Financial Holdings Limited (the "ultimate parent"), Canada, held 185,653,725 equity shares of INR 1/- each corresponding to 74.96% stake in Thomas Cook (India) Limited as on 31 December 2013. As at 31 March 2015, the Fairfax Group (including Fairbridge and its affiliates) holds 203,923,725 equity shares of INR 1/- each corresponding to 74.77% stake in Thomas Cook (India) Limited.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS PERIOD ENDED 31 MARCH 2015

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015

CONTENTS | PAGES

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

COMPANY INFORMATION

			Date appointed	Date resigned
DIRECTORS	:	Mr Mahesh Iyer	29 March 2013	
		Mr Harsha Raghavan	29 March 2013	
		Mr Ramakrishna Sithanen	25 July 2013	07 October 2014
		Mr Mohinder Dyall	04 September 2013	
		Mr Mathew John Lamport	21 January 2014	
		Mrs Velamah Cathapermal Nair	22 January 2015	

ADMINISTRATION & SECRETARY : Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port – Louis
Republic of Mauritius

REGISTERED OFFICE : Anglo Mauritius House
4, Intendence Street
Port – Louis
Republic of Mauritius

AUDITOR : PricewaterhouseCoopers
18, Cybercity
Ebène
Réduit, 72201
Republic of Mauritius

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE

The directors present their annual report and the audited financial statements of the Company for the period ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is to deal in foreign exchange.

REVIEW OF THE BUSINESS

The loss for the period amounted to **Rs 1,376,591** (2013 –Rs 4,603,176). The directors have not declared any dividends during the period ended 31 March 2015 (period ended 31 December 2013: Rs NIL).

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

The financial statements of the Company for the period ended 31 March 2015 are set out on pages 9 to 38. The auditor's report on these financial statements is on pages 7 and 8.

DIRECTORS

The list of directors of the Company who held office during the period is set out on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the Guideline on Corporate Governance have been adhered to; 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 Mauritian Companies Act 2001 and the Banking Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that adequate accounting records have been maintained and effective system of internal control and risk management were in place.

DIRECTORS' INTERESTS

The directors do not hold any interests in the ordinary share capital of the Company

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

The Company is a fellow subsidiary of Thomas Cook (India) Limited, a Company incorporated in India and the ultimate holding company is Fairfax Financial Holdings Limited, Canada. The Company is committed towards Thomas Cook Corporate Governance Guidelines and conducting business with the highest ethical standards during the period ended 31 March 2015.

Sound corporate governance is fundamental as to how the Company operates and a critical part of corporate responsibility. The Corporate Governance Guidelines and Structures provide a strong foundation for responsiveness and accountability.

The Bank of Mauritius has issued Guidelines on Corporate Governance for financial institutions governed under the Banking Act 2004 and which is applicable to the Company for the financial period ended 31 March 2015.

As per guidelines board should comprise of at least 5 natural persons and 40% independent directors. Company has complied provisions related with constitution of board of directors as per Guidelines. Company is in the process of adhering to other provisions of the guidelines.

Board Charter

Definition

The purpose of the Board Charter is to outline the principal role of the Board of Directors (Board), the demarcation of the roles, functions, responsibilities and powers of the Board, and matters reserved for final decision-making or pre-approval by the Board; and the policies and practices of the Board in respect of matters such as conflicts of interest and convening of Board meetings.

Role of the board

The role of the Board is to provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company. The Board is collectively responsible for the long -term success of the Company and delivery of sustainable value to shareholders. In discharging its duties, the Board should be guided by the interests of the company and its business and shall take into account the interest of the stakeholders. The Board is ultimately accountable to the shareholders. The Board has the ultimate responsibility of ensuring that an appropriate and well documented Corporate Governance framework is in place.

Power of the Board

The Board is responsible for managing the business of the Company and, in doing so, may exercise all the powers of the Company, subject to any relevant laws and regulations and to the Articles of Association ("Articles").

Responsibilities

The broad responsibilities of the Board are to

- Set the Company's vision, mission and values
- Determine the appropriate policies and processes to ensure the integrity of the institution's risk management practices and internal controls, communication policy, director selection, orientation and evaluation.
- Monitor and evaluate the implementation of strategies, policies and performance measurements
- Exercise leadership, enterprise, integrity and judgement in directing the Company
- Ensure full and effective control over the Company and be responsible for the appointment and monitoring of management in its implementation of the boards' approved plans and strategies.
- Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks
- Ensure that effective internal controls systems are in place to safeguard the Company's assets.
- Ensure that the Board functions independently of management and put in place appropriate structure and procedures to achieve and project its independence.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Board Charter (continued)

- Appoint and monitor management in order to allow the public to appreciate that the board is independent and operates at a level higher than management.
- Ensure compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements.
- Ensure that the Company's policies and systems are effective enough to achieve a prudential balance between the risk and potential returns to the shareholders.
- Monitor and assess risks in order to achieve the continuous viability of the Company at all times
- Review details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement
- See that adequate systems and procedures have been established, and sufficient resources committed to ensure compliance with the requirement of law, regulations and guidelines issued by the statutory authorities
- Review financial plans of the Company
- Approve the budget and financial statements / accounts of the Company
- Consider and approve declaration / recommendation of dividend, if any
- Frame and review Corporate Social Responsibility policy of the Company and monitor implementation thereof
- Verify the systems and controls from time to time
- Ensure overall stewardship of the company

Delegation of Power

The Board delegates the management and day-to-day running of the Company to the Chief Operating Officer (COO) in accordance with such polices and directions as the Board may from time to time determine. In addition:

- The Board may delegate to and confer on the COO any of its powers, authorities and discretions for such time and on such terms as it thinks fit, with the power to the COO to further sub-delegate.
- The Board may delegate any of its powers, authorities and discretions for such time and on such terms as it thinks fit to any committee consisting of one or more Directors.
- The Board may also, by power of attorney or otherwise, appoint any person or persons to be the agent of the Company and may delegate to any such person or persons any of its powers, authorities and discretions for such time and on such terms as it thinks fit.

Power delegated to COO

- To act as the main spokesperson of the Company under the guideline of the Board of directors.
- To develop the Company's vision, mission and values and recommend to the Board of directors strategies (both short term and long term) to achieve them.
- To develop internal control and procedures to protect the Company's interest.
- Ensure compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements.
- Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps taken to manage the risks.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

REPORT ON CORPORATE GOVERNANCE (CONTINUED)

Board Charter (continued)

- To develop annual business plan and budgets and ensure financial and operation objectives are achieved.
- To assist the management and Board in making strategic decisions and be responsible for evolving and executing a holistic business plan
- Project and ensure that the Company projects high ethics, integrity and value.
- Ensure that management succession and management development plans are in place and presented to the Board from time to time.
- Establish a close relationship of trust with the Chairman, reporting key development to him in a timely manner and seeking advice and support as appropriate.

Significant Contracts

No contracts of significance or loans existed during the period under review between the Company and its Directors.

Donations

The Company made donations of **Rs NIL** during the period (2013 – Rs 25,000).

Directors' Remuneration

During the period from 01 January 2014 to 31 March 2015, remuneration paid to the directors by the Company are as follows:

	Period ended 31 March 2015	Period ended 31 December 2013
	Rs	Rs
Non executive Independent directors- Sitting Fee	**135,000**	75,000
Executive director	**3,384,795**	764,609
	=========	=========

Fees Paid To Auditor

The fees, excluding VAT charged by the auditor, PricewaterhouseCoopers, for audit and other services, were:

	Period ended 31 March 2015	Period ended 31 December 2013
	Rs	Rs
Audit Fees	**790,150**	735,000
Tax and other services	**133,700**	97,250
	---------	---------
	923,850	832,250
	=========	=========

Auditor

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

Authorised for issue by the Board of directors on May 07 2015
and signed on its behalf by:

} DIRECTORS
}
}

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

15 MONTHS ENDED 31 MARCH 2015

SECRETARY'S CERTIFICATE

In our capacity as Company Secretary, we hereby certify, to the best of our knowledge and belief, that **Thomas Cook (Mauritius) Operations Company Limited** has filed with the Registrar of Companies, for the financial period ended 31 March 2015, all such returns as are required of the Company under The Mauritius Companies Act 2001, and that all such returns are true, correct and up to date.

EXECUTIVE SERVICES LIMITED
Per Ah Man WONG TOO YAN
Secretary

Date: May 07 2015

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Independent Auditor's Report

To the Shareholder of Thomas Cook (Mauritius) Operations Company Limited

Report on the Financial Statements

We have audited the financial statements of Thomas Cook (Mauritius) Operations Company Limited (the "Company") on pages 9 to 38 which comprise the statement of financial position at 31 March 2015 and the statements of comprehensive income, changes in equity and cash flows for the period from 01 January 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's 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 requirements of the Mauritian Companies Act 2001, the Banking Act 2004 and regulations and guidelines of the Bank of Mauritius, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

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T: +230 404 5000, F: +230 404 5088/89, www.pwc.com/mu
Business Registration Number : F07000530

pwc

Independent Auditor's Report

To the Shareholder of Thomas Cook (Mauritius) Operations Company Limited (Continued)

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements on pages 9 to 38 give a true and fair view of the financial position of the Company at 31 March 2015 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

The Banking Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) in our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and the regulations and guidelines of the Bank of Mauritius; and

(b) the explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

PricewaterhouseCoopers

Mushtaq Oosman, licensed by FRC

07 May 2015

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	Notes	31 March 2015 Rs	31 December 2013 Rs
ASSETS			
Non-current assets			
Furniture, equipment and vehicles	4	**12,148,592**	12,201,239
Intangible assets	5	**2,613,836**	2,312,340
Deferred income tax asset	11	**1,134,800**	214,114
		15,897,228	14,727,693
Current assets			
Investment in Treasury Bills	6	**22,897,862**	21,479,260
Trade and other receivables	7	**18,628,596**	22,751,413
Cash and cash equivalents (excluding bank overdrafts)	13	**81,376,701**	111,180,989
		122,903,159	155,411,662
TOTAL ASSETS		**138,800,387**	170,139,355
EQUITY			
Capital and reserves			
Stated capital	8	**100,000,000**	100,000,000
Retained earnings		**23,611,778**	24,988,369
Total equity		**123,611,778**	124,988,369
LIABILITIES			
Non-current liabilities			
Gratuity obligations	9	**229,000**	145,000
Obligations under finance leases	10	**1,341,480**	475,435
		1,570,480	620,435
Current liabilities			
Trade and other payables	12	**6,742,516**	34,868,135
Bank overdraft	13	**6,494,691**	9,168,229
Obligations under finance leases	10	**380,922**	494,187
		13,618,129	44,530,551
TOTAL LIABILITIES		**15,188,609**	45,150,986
TOTAL EQUITY AND LIABILITIES		**138,800,387**	170,139,355

These financial statements have been approved for issue by the Board of Directors on May 07 2015

....
Chief Executive Officer

....
Director

....
Director

The notes on pages 13 to 38 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 JANUARY 2014 to 31 MARCH 2015

	Notes	**Period from 01 January 2014 to 31 March 2015 Rs**	Period from 01 October 2012 to 31 December 2013 Rs
Net gains from foreign currency dealings		**47,798,509**	46,519,211
Other operating income	15	**5,812,278**	7,290,004
Sundry income	16	**139,572**	69,297
Administrative expenses		**(57,901,488)**	(59,174,303)
Operating loss		**(4,151,129)**	(5,295,791)
Finance income	17	**2,835,250**	1,848,190
Finance costs	18	**(981,398)**	(1,267,290)
Finance income – net		**1,853,852**	580,900
Loss before income tax	19	**(2,297,277)**	(4,714,891)
Income tax credit	14	**920,686**	111,715
Loss and total comprehensive income for the period		**(1,376,591)**	(4,603,176)

The notes on pages 13 to 38 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01 JANUARY 2014 to 31 MARCH 2015

	Stated capital Rs	Retained earnings Rs	Total equity Rs
At October 01, 2012	100,000,000	29,591,545	129,591,545
Comprehensive income			
Loss for the period	-	(4,603,176)	(4,603,176)
Total comprehensive income for the period	-	(4,603,176)	(4,603,176)
At December 31, 2013	100,000,000	24,988,369	124,988,369
At January 01, 2014	**100,000,000**	**24,988,369**	**124,988,369**
Comprehensive income			
Loss for the period	-	**(1,376,591)**	**(1,376,591)**
Total comprehensive income for the period	-	**(1,376,591)**	**(1,376,591)**
At March 31, 2015	**100,000,000**	**23,611,778**	**123,611,778**

The notes on pages 13 to 38 form an integral part of these financia statements.

THOMAS COOK (MAURITIUS) OPERATIONS COMPANY LIMITED

STATEMENT OF CASHFLOWS FOR THE PERIOD FROM 01 JANUARY 2014 to 31 MARCH 2015

	Notes	**Period from 01 January 2014 to 31 March 2015 Rs**	Period from 01 October 2012 to 31 December 2013 Rs
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		**(2,297,277)**	(4,714,891)
Adjustments for:			
Depreciation of furniture, equipment and vehicles	4	**1,985,572**	2,419,239
Amortisation of intangible assets	5	**1,906,064**	3,668,755
Gratuity obligations	9	**84,000**	7,000
Interest income	17	**(2,835,250)**	(1,848,190)
Interest expense	18	**981,398**	1,267,290
Furniture and equipment written off	4	**598,083**	2,122,694
Profit on disposal of vehicles		**(132,604)**	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**289,986**	2,921,897
Decrease/(increase) in trade and other receivables		**4,122,817**	(5,117,055)
(Decrease)/increase in trade and other payables		**(28,125,619)**	11,005,428
		(23,712,816)	8,810,270
Interest received		**1,980,818**	1,108,110
Interest paid		**(981,398)**	(1,267,290)
Net cash (used in)/from operating activities		**(22,713,396)**	8,651,090
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of furniture, equipment and vehicles	4	**(1,522,199)**	(782,325)
Purchase of intangible assets	5	**(2,207,560)**	-
Treasury bills redeemed	6	**22,000,000**	22,000,000
Purchase of treasury bills	6	**(22,564,170)**	(21,479,260)
Proceeds from sale of vehicles		**485,000**	235,000
Net cash used in investing activities		**(3,808,929)**	(26,585)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease principal payments		**(608,425)**	(600,370)
Net cash used in financing activities		**(608,425)**	(600,370)
Net (decrease)/increase in cash and cash equivalents		**(27,130,750)**	8,024,135
Cash and cash equivalent at beginning of the period		**102,012,760**	93,988,625
Cash and cash equivalents at end of period	13	**74,882,010**	102,012,760

The notes on pages 13 to 38 form an integral part of these financial statements.

1 CORPORATE INFORMATION

Thomas Cook (Mauritius) Operations Company Limited (the "Company") is a private company limited by shares incorporated in Mauritius. The registered office is situated at Ground Floor, Anglo Mauritius House, 4 Intendence Street, Port Louis.

The main activity of the Company is to deal in foreign exchange.

2 ACCOUNTING POLICIES

The principal accounting policies applied 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.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention. The financial statements are presented in Mauritian Rupee ('Rs').

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Changes in accounting policies and disclosures

a) New standards, amendments and interpretations adopted by the Company

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 01 January 2014:

Amendment to IAS 32, 'Financial instruments:Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Company's financial statements.

Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised. The Company is not currently subjected to significant levies so the impact on the Company's financial statements is not material.

Other standards, amendments and interpretations which are effective for the financial year beginning on 01 January 2014 are not material to the Company's financial statements.

2 ACCOUNTING POLICIES (CONTINUED)

b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 01 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI without recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 01 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 01 January 2017 and earlier application is permitted. The Company is currently assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

Foreign currency translation

Functional currency and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Mauritian Rupee' (Rs), which is the Company's functional currency.

2 ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation when items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other operating income’.

Furniture, equipment and vehicles

Furniture, equipment and vehicles are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, as follows:

Office equipment:	4.75%
Computer equipment:	25.00%
Furniture and fittings:	6.33%
Motor vehicles:	15.00%

Depreciation is provided in full in the month of addition and in respect of assets written off and disposed, up to the month of write off and disposal.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

2 ACCOUNTING POLICIES (CONTINUED)

Intangible assets – Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (4 years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditure that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives which do not exceed 4 years.

Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets other than goodwill are reviewed for possible reversal of the impairment at the end of each reporting period.

2 ACCOUNTING POLICIES (CONTINUED)

Financial assets

Classification

The Company classifies its financial assets depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Company only holds held to maturity investments and loans and receivables as financial assets.

Held to maturity investments

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities other than those that meet the definition of loans and receivables that the Company's management has the positive intention and ability to hold to maturity, other than:

- Those that the Company upon initial recognition designates as at fair value through income
- Those that the Company designates as available-for-sale, and
- Those that meet the definition of loans and receivables.

Interest on held-to-maturity investments are included in the statement of comprehensive income and reported within 'finance income'. In the case of an impairment, it is reported as deduction for the carrying value of an investment and recognised in the statement of comprehensive income as "Net gains/(losses) on investment securities". Held-to-maturity investments are treasury bills. These assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in profit or loss . 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. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2 ACCOUNTING POLICIES (CONTINUED)

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss . If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown separately within current liabilities.

Share capital

Ordinary shares are classified as equity.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

2 ACCOUNTING POLICIES (CONTINUED)

Current and deferred income tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

Gratuity obligations

The Company does not operate a pension scheme for its employees. Employees are entitled to a gratuity payment on retirement under the terms of the Employment Rights Act 2008. Accordingly the Company's qualified actuary has determined for the gratuity obligations in line with the requirements of the Employment Rights Act 2008 at the end of the reporting period and the Company has booked this obligation in the statement of financial position.

The present value of retirement benefits under The Employment Rights Act 2008 is recognised in the statement of financial position as a non-current liability. The rate used to discount the retirement benefit is assumed to be the same as that which reflects corporate government bonds.

Typically gratuity obligations define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of gratuity obligations is the present value of the gratuity obligations at the end of the reporting period. The gratuity obligations is calculated annually by independent actuaries. The present value of the gratuity obligations is determined by discounting the estimated future cash flows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss under administrative expenses, unless the changes are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2 ACCOUNTING POLICIES (CONTINUED)

Employee benefits (continued)

Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Employee benefits include wages, salaries, social security contributions, travelling and insurance. These costs are charged to profit or loss when incurred.

Employee leave entitlement

Employee entitlement to annual leave and other benefits are supposed to be recognised when they accrue to the employees. However the Company encourages all employees to take all their annual leave and other benefits during the year and hence there is no provision required.

Provisions

Provisions for restructuring costs and legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2 ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Sale of foreign currency

Dealings in foreign exchange are recognised on customer acceptance. Gains and losses arising on dealing in foreign currencies are recognised on a net basis.

Fees and commissions are recognised on an accrual basis when the service has been provided.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases vehicles. Leases of vehicles where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The vehicles acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

2 ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, bank overdrafts, investment in treasury bills, obligations under finance leases and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. Disclosures about financial instruments to which the Company is a party are provided in Note 21.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Gratuity obligations

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company's actuary determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company's actuary considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

Critical judgements in applying the Company's accounting policies

Deferred income tax assets

Deferred income tax assets are recognised for all unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Depreciation and amortisation rates

The Company depreciates or amortises its assets over their estimated useful lives. The estimation of useful lives is based on historical performance and expectation about future use and requires significant degree of judgement.

4 FURNITURE, EQUIPMENT AND VEHICLES

	Office equipment Rs	Computer equipment Rs	Furniture and fittings Rs	Motor vehicles Rs	Total Rs
At 31 March 2015					
COST					
At 01 January 2014	7,388,413	3,896,142	7,301,325	2,508,323	21,094,203
Additions	186,059	732,887	384,458	1,580,000	2,883,404
Assets written off	(603,936)	(879,077)	(249,320)	-	(1,732,333)
Disposals	-	-	-	(1,658,328)	(1,658,328)
At 31 March 2015	6,970,536	3,749,952	7,436,463	2,429,995	20,586,946
DEPRECIATION					
At 01 January 2014	2,165,759	3,617,480	1,923,480	1,186,245	8,892,964
Charge for the period	693,861	264,386	553,723	473,602	1,985,572
Assets written off	(195,084)	(834,735)	(104,431)	-	(1,134,250)
Disposal adjustment	-	-	-	(1,305,932)	(1,305,932)
At 31 March 2015	2,664,536	3,047,131	2,372,772	353,915	8,438,354
NET BOOK VALUES					
At 31 March 2015	4,306,000	702,821	5,063,691	2,076,080	12,148,592
At 31 December 2013					
COST					
At 01 October 2012	9,230,691	6,348,446	9,546,936	3,172,321	28,298,394
Additions	77,565	176,111	528,649	-	782,325
Assets written off	(1,919,843)	(2,628,415)	(2,774,260)	(663,998)	(7,986,516)
At 31 December 2013	7,388,413	3,896,142	7,301,325	2,508,323	21,094,203
DEPRECIATION					
At 01 October 2012	2,437,789	5,755,920	2,728,104	1,180,734	12,102,547
Charge for the period	623,168	484,412	783,249	528,410	2,419,239
Assets written off	(895,198)	(2,622,852)	(1,587,873)	(522,899)	(5,628,822)
At 31 December 2013	2,165,759	3,617,480	1,923,480	1,186,245	8,892,964
NET BOOK VALUES					
At 31 December 2013	5,222,654	278,662	5,377,845	1,322,078	12,201,239

At 31 March 2015, motor vehicles acquired under finance leases had a net book value of **Rs 2,076,080** (31 December 2013: Rs 1,322,078). The Company leases various vehicles under non cancellable finance lease agreements. The lease terms are up to 5 years and ownership of the asset lies within the Company.

5 INTANGIBLE ASSETS

	Computer software Rs	Asset in progress Rs	Total Rs
At 31 March 2015			
COST			
At 01 January 2014	14,940,689	-	14,940,689
Addition	52,101	2,155,459	2,207,560
At 31 March 2015	14,992,790	2,155,459	17,148,249
AMORTISATION			
At 01 January 2014	12,628,349	-	12,628,349
Charge for the year	1,906,064	-	1906,064
At 31 March 2015	14,534,413	-	14,534,413
NET BOOK VALUES			
At 31 March 2015	458,377	2,155,459	2,613,836
At 31 December 2013			
COST			
At 01 October 2012	15,114,777	-	15,114,777
Disposal	(174,088)	-	(174,088)
At 31 December 2013	14,940,689	-	14,940,689
AMORTISATION			
At 01 October 2012	9,133,682	-	9,133,682
Disposal	(174,088)	-	(174,088)
Charge for the year	3,668,755	-	3,668,755
At 31 December 2013	12,628,349	-	12,628,349
NET BOOK VALUES			
At 31 December 2013	2,312,340	-	2,312,340

6 INVESTMENT IN TREASURY BILLS

Unquoted	31 March 2015 Rs	31 December 2013 Rs
At start of period	**21,479,260**	21,259,920
Additions during the period	**22,564,170**	21,479,260
Redeemed during the period	**(22,000,000)**	(22,000,000)
Interest	**854,432**	740,080
At end of period	**22,897,862**	21,479,260

Investment relates to purchase of Government of Mauritius Treasury Bills dated 18 July 2014, with face value of Rs 23,000,000 (yield 2.10% p.a.), which will mature on 19 June 2015. The directors have valued the unquoted investment at amortised cost.

7 TRADE AND OTHER RECEIVABLES

	31 March 2015 Rs	31 December 2013 Rs
Amounts due from related parties (Note 20)	**14,602,335**	18,631,651
Rental and other deposits	**1,412,662**	1,834,101
Other receivables and prepayments	**2,613,599**	2,285,661
	18,628,596	22,751,413

There are no trade receivables as the Company does not trade on credit with its customers.

The maximum exposure to credit risk at the end of the reporting period is equal to the carrying value of each class of trade and other receivables mentioned above.

Amounts receivable from related companies contain no provision for impairment as they are fully performing and the directors consider that these are fully recoverable.

Trade and other receivables do not contain impaired assets.

8 STATED CAPITAL

	31 March 2015 Rs	31 December 2013 Rs
1,000,000 shares at Rs 100 each	**100,000,000**	100,000,000

The Company has one class of ordinary share which carries a right to vote but no right to fixed income

9 GRATUITY OBLIGATIONS

Under the Employment Rights Act 2008

The Company has recognised a gratuity obligation of **Rs 229,000** (2013: Rs 145,000) in the statement of financial position in respect of any retirement gratuities that are expected to be paid out of the Company's cash flow to its employees as per the Employment Rights Act 2008 and as determined by the Company's actuary.

	31 March 2015	31 December 2013
	Rs	Rs
Reconciliation of gratuity obligations		
At start of period	**145,000**	138,000
Amount recognised in profit or loss	**84,000**	7,000
At end of period	**229,000**	145,000
Reconciliation of present value of gratuity obligations		
At start of period	**145,000**	138,000
Current service cost	**57,000**	29,000
Interest expense	**13,000**	15,000
Liability experience (gain)/loss	**(33,000)**	(87,000)
Liability (gain)/loss due to change in financial assumptions	**47,000**	50,000
At end of period	**229,000**	145,000
Components of amount recognised in profit or loss		
Current service cost	**57,000**	29,000
Net interest on net defined benefit liability/(asset)	**13,000**	15,000
Total	**70,000**	44,000
Principal assumptions used at end of period		
Discount rate	**7.50%**	7.00%
Rate of salary increases	**6.00%**	6.00%
Average retirement age (ARA)	**60**	60
Sensitivity Analysis on gratuity obligations at end of period		
Increase due to 1% decrease in discount rate	**37,000**	32,000
Decrease due to 1% increase in discount rate	**30,000**	25,000

10 OBLIGATIONS UNDER FINANCE LEASES

Leasing arrangement

Finance leases relate to motor vehicles with lease terms of 5 years. The Company has options to purchase the vehicles for a nominal amount at the conclusion of the lease agreement. The Company's obligations under finance leases are secured by the lessors' title to the leased assets.

Fair value

The fair value of the finance lease liabilities is approximately equal to their carrying amount as the effect of discounting is not significant.

Finance lease liabilities

	Minimum lease payments		**Present value of minimum lease Payments**	
	31 March 2015 Rs	31 December 2013 Rs	**31 March 2015 Rs**	31 December 2013 Rs
Within one year	**511,200**	563,560	**380,922**	494,187
Between 2 and 5 years	**1,555,410**	524,418	**1,341,480**	475,435
	2,066,610	1,087,978	**1,722,402**	969,622
Less:				
Future finance charges	**(344,209)**	(118,356)	**-**	-
	1,722,401	969,622	**1,722,402**	969,622

11 DEFERRED INCOME TAX ASSETS

The movement in deferred income tax during the period is as follows:

	31 March 2015 Rs	31 December 2013 Rs
At start of period	**214,114**	102,399
Credited to profit or loss (Note 14)	**920,686**	581,769
Under-provision of deferred tax in prior years (Note 14)	**-**	(470,054)
At end of period	**1,134,800**	214,114

11 DEFERRED INCOME TAX ASSETS (CONTINUED)

Deferred tax assets and liabilities and deferred tax (credit)/charge in the statement of comprehensive income are attributable to the following items:

	At 01 January 2014	(Charge)/credit to profit or loss (Note 14)	(Over)/under provision of deferred tax liabilities/(assets) in prior year (Note 14)	At 31 March 2015
	Rs	Rs	Rs	Rs
Accelerated capital allowances	(458,514)	**(257,133)**	**(20,833)**	**(736,480)**
Gratuity obligations	24,649	**14,280**	-	**38,929**
Accumulated tax losses	647,979	**981,108**	**203,264**	**1,832,351**
Deferred tax assets	214,114	**738,255**	**182,431**	**1,134,800**

12 TRADE AND OTHER PAYABLES

	31 March 2015	31 December 2013
	Rs	Rs
Trade payables	**2,270,627**	16,485,170
Amount payable to related parties (Note 20)	**2,155,459**	14,855,000
Accruals and other payables	**2,316,430**	3,527,965
	6,742,516	34,868,135

The trade payables are in respect of telegraphic transfer transactions and amounts due to money gram, in respect of normal business recurring expenses. Telegraphic transfers are settled on the day following the transaction and suppliers are settled within 30 to 45 days of credit facility granted by the supplier. The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The amount payable to one related party is denominated in Indian Rupees and approximates its fair value as the effect of discounting is not significant. The amount payable to related party is unsecured, interest free and repayable on demand.

13 CASH AND CASH EQUIVALENTS

	31 March 2015 Rs	31 December 2013 Rs
Cash at bank		
Local currency	**60,736,111**	59,001,176
Foreign currency	**2,615,283**	13,506,468
Cash in hand		
Local currency	**11,863,051**	25,161,572
Foreign currency	**6,162,256**	13,511,773
Cash at bank and in hand	**81,376,701**	111,180,989
Bank overdraft – unsecured	**(6,494,691)**	(9,168,229)
	74,882,010	102,012,760

14 INCOME TAX (ASSET)/LIABILITY

	31 March 2015 Rs	31 December 2013 Rs
(a) Income tax credit		
Under provision of deferred income tax asset in prior year (Note 11)	-	(470,054)
Deferred income tax credit (Note 11)	**920,686**	581,769
	920,686	111,715

(b) The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
Loss before income tax	**(2,297,277)**	(4,714,891)
Tax calculated at a rate of 17% (2013: 17%)	**(390,537)**	(801,531)
Adjustments for:-		
Non-tax deductible expenses	-	219,762
Non-tax deductible expense prior year but allowable in current period	**(347,718)**	-
Under provision of deferred tax asset in prior year (Note 11)	**(182,431)**	470,054
Income tax credit for the year	**(920,686)**	(111,715)

The expiry dates of the accumulated tax losses are as follows:

31 March 2019	**5,007,312**
31 March 2020	**5,735,231**
	10,742,543

15 OTHER OPERATING INCOME

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
Income on currency swaps and cross	**5,869**	37,444
Income from pick-up and delivery of foreign currencies to bank	**1,528,451**	1,326,427
Income on traveller's cheques & telegraphic transfers	**914,091**	800,240
Foreign Exchange (losses)/gains - net	**(2,207,784)**	253,188
Commission received on MoneyGram	**5,571,651**	4,872,705
	5,812,278	7,290,004

16 SUNDRY INCOME

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
Miscellaneous income	**139,572**	52,821
Income received on lost baggage service	**-**	16,476
	139,572	69,297

17 FINANCE INCOME

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
Bank interest income	**2,163,119**	1,075,326
Interest received on treasury bills	**672,131**	772,864
	2,835,250	1,848,190

18 FINANCE COSTS

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
Finance charges	**79,072**	150,636
Interest on bank overdrafts	**884,722**	1,091,771
Interest other	**17,604**	24,883
	981,398	1,267,290

19 LOSS BEFORE INCOME TAX

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
(a) Net loss before income tax expense is arrived at after charging		
Depreciation	**1,985,572**	2,419,239
Amortisation of intangible assets	**1,906,064**	3,668,755
Operating lease rentals	**11,658,791**	9,458,459
Staff costs (Note 19 (b))	**24,001,086**	22,505,093
(b) Staff costs is analysed as follows:		
Salaries and allowances	**19,569,898**	19,548,225
Social security costs	**1,110,359**	1,012,976
Other employee benefits	**3,320,829**	1,943,892
	24,001,086	22,505,093
Number of employees at year – end	**55**	55

20 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related only in one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

	31 March 2015 Rs	31 December 2013 Rs
Amount due from related parties		
(i) Thomas Cook (Mauritius) Holdings Company Limited		
At start of period	**3,783,641**	3,227,419
Amount repaid by the related party	**(1,350,760)**	-
Expenses paid on behalf of the related party	**635,690**	556,222
At end of period	**3,068,571**	3,783,641
(ii) Thomas Cook (Mauritius) Holidays Ltd		
At start of period	**13,727,668**	9,674,421
Amount repaid by related party	**(5,000,000)**	-
Expenses paid on behalf of the related party	**1,039,419**	4,053,247
At end of period	**9,767,087**	13,727,668

20 RELATED PARTY TRANSACTIONS (CONTINUED)

	31 March 2015 Rs	31 December 2013 Rs
(iii) Thomas Cook (Mauritius) Travel Ltd		
At start of period	**1,120,342**	867,050
Expenses paid on behalf of the related party	**646,335**	253,292
At end of period	**1,766,677**	1,120,342
Total amount receivable from related parties	**14,602,335**	18,631,651

	31 March 2015 Rs	31 December 2013 Rs
Amount due to related parties		
(iv) Thomas Cook (Mauritius) Holdings Company Limited		
At start of period	**14,855,000**	14,730,000
Exchange differences	**1,045,000**	125,000
Repayment	**(15,900,000)**	-
At end of period	**-**	14,855,000
(v) Thomas Cook (India) Limited		
At start of period	-	258,836
Expenses paid on behalf of the Company	**2,313,358**	-
Repayment	**(157,899)**	(258,836)
At end of period	**2,155,459**	-
Total amount payable to related parties	**2,155,459**	14,855,000

The amounts receivable from/payable to related parties are unsecured, interest free and repayable on demand and approximate their fair values.

	Period ended 31 March 2015 Rs	Period ended 31 December 2013 Rs
Sales of foreign currencies		
Thomas Cook (Mauritius) Holidays Ltd	**3,700,853**	3,627,816
Purchase of foreign currencies		
Thomas Cook (Mauritius) Holidays Ltd	**56,983,830**	34,076,867
Compensation to key management personnel	**6,668,077**	6,227,687

21 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit 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 is carried out by finance function under policies approved by the board of directors. The board provides guidance for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from period ended 31 December 2013.

The capital structure of the Company consists of debt, which includes bank overdrafts and obilgations under finance leases offset by cash and cash equivalents and equity comprising issued capital, and retained earnings.

Fair values

The carrying amounts of the Company's financial assets and liabilities are assumed to approximate their fair values.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

Categories of financial instruments

	31 March 2015 Rs	31 December 2013 Rs
Financial assets		
Loans and receivables		
Trade and other receivables	**15,550,234**	18,631,651
Cash in bank and at hand	**81,376,701**	111,180,989
	96,926,935	129,812,640
Held to maturity		
Investment in Treasury Bills	**22,897,862**	21,479,260
	119,824,797	151,291,900
Financial liabilities		
At amortised cost		
Trade and other payables	**6,742,516**	34,868,135
Obligations under finance leases	**1,722,402**	969,622
Bank overdraft	**6,494,691**	9,168,229
	14,959,609	45,005,986

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk

The Company is exposed to the risk that the exchange rate of the Mauritian rupee relative to the currencies listed below may change in a manner which has a material effect on the reported values of its assets and liabilities.

The Currency profile of the Company's financial assets and financial liabilities is summarised below:

	Financial Assets		Financial Liabilities	
	31 March 2015 Rs	31 December 2013 Rs	**31 March 2015 Rs**	31 December 2013 Rs
Mauritian Rupee	**107,439,249**	120,256,842	**6,309,459**	6,109,151
United States Dollar	**6,475,920**	10,841,313	**1,466,416**	15,866,764
Euro	**4,617,471**	17,018,049	**5,028,275**	22,908,571
Great Britain Pound	**677,973**	1,766,589	-	-
Others	**614,184**	1,409,107	**2,155,459**	121,500
	119,824,797	151,291,900	**14,959,609**	45,005,986

The Company is mainly exposed to Euro, Great Britain Pound and United States Dollar.

The following table details the Company's sensitivity to a 10% increase and decrease in the Mauritian Rupee against the relevant foreign currencies. 10% is the sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit where the Mauritian Rupee strengthens 10% against the relevant currency. For a 10% weakening of the Mauritian Rupee against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Impact of 10% appreciation of the Mauritian Rupee against the relevant currencies:

	31 March 2015 Rs	31 December 2013 Rs
	-	-
Euro	**41,080**	589,052
Great Britain Pound	**67,797**	176,659
United States Dollar	**500,950**	502,545

The above is mainly attributable to the Company's exposure outstanding on receivables and exposure on cash and cash equivalents. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as period year end exposure does not reflect the exposure during the period.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

The Company's risk is concentrated to the amounts due by related companies and investment in Treasury Bills. The Company does not engage into credit sale so that the credit risk on trade receivables is virtually inexistent.

Interest rate risk

The sensitivity analyses below have been determined based on the exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the period ended 31 March 2015 would increase/decrease by **Rs 357,292** (31 December 2013: Rs 195,856). This is mainly attributable to the Company's exposure to interest rates on its variable rate on overdraft facilities.

Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The maturity profile of the financial instruments is summarised as follows:

31 March 2015	**Within 1 year Rs**	**Between 2–5 years Rs**	**Total Rs**
Trade and other payables	**6,742,516**	-	**6,742,516**
Bank overdraft	**6,494,691**	-	**6,494,691**
Obligations under finance lease	**511,200**	**1,555,410**	**2,066,610**
	13,748,407	**1,555,410**	**15,303,817**
31 December 2013			
Trade and other payables	34,868,135	-	34,868,136
Bank overdraft	9,168,229	-	9,168,229
Obligations under finance lease	563,560	524,418	1,087,978
	44,599,924	524,418	45,124,342

22 OPERATING LEASE COMMITMENTS

The Company does not own any property and has entered into operating leases for office space and sales outlets for a period between 3 to 10 years. The rentals are subject to an annual increase, generally not exceeding 5%. The Company does not have an option to purchase the property on the expiry of the lease period.

The future aggregate minimum lease payments under non-cancellable operating lease arrangement are as follows:

	2015	2013
	Rs	Rs
Not later than 1 year	**6,695,992**	7,608,159
Later than 1 year and not later than 5 years	**2,153,163**	7,139,416
More than 5 years	**423,500**	495,000
	9,272,655	15,242,575

23 CONTINGENT LIABILITIES

At 31 March 2015, there were contingent liabilities in respect of guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise. At 31 March 2015, bank guarantees amounted to Rs 60,000 (2013 – Rs Nil).

24 HOLDING AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company, Thomas Cook (Mauritius) Holding Company Limited holds 100 % shares of the Company. Thomas Cook (India) Limited, a Company incorporated in India, holds 100% shares of Thomas Cook (Mauritius) Holding Company Limited.

Fairbridge Capital (Mauritius) Limited ("Fairbridge"), a subsidiary of Fairfax Financial Holdings Limited (the 'ultimate parent'), Canada, held 185,653,725 equity shares of INR 1/- each corresponding to 74.96% stake in Thomas Cook (India) Limited as on 31st December, 2013. As at the fifteen months ended 31st March, 2015, the Fairfax Group (including Fairbridge and its affiliates) holds 203,923,725 equity shares of INR 1/- each corresponding to 74.77% stake in Thomas Cook (India) Limited.

THOMAS COOK (MAURITIUS) TRAVEL LTD

FINANCIAL STATEMENTS PERIOD ENDED 01 JANUARY 2014 TO 31 MARCH 2015

THOMAS COOK (MAURITIUS) TRAVEL LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

CONTENTS	PAGES

THOMAS COOK (MAURITIUS) TRAVEL LTD

COMPANY INFORMATION

			Date appointed
DIRECTORS	:	Mr Madhavan Menon	14 June 2004
		Mr Mahesh Chandran Iyer	07 December 2012
		Mr Harsha Raghavan	07 December 2012
		Mr Mohinder Dyall	04 September 2013

ADMINISTRATION & SECRETARY : Executive Services Limited
2nd Floor, Les Jamalacs Building
Vieux Conseil Street
Port – Louis
Republic of Mauritius

REGISTERED OFFICE : Anglo Mauritius House
4, Intendence Street
Port – Louis
Republic of Mauritius

AUDITOR : PricewaterhouseCoopers
18, CyberCity
Ebène,
Réduit 72201
Republic of Mauritius

THOMAS COOK (MAURITIUS) TRAVEL LTD

ANNUAL REPORT

The directors present their annual report and the audited financial statements of the Company for the period from 01 January 2014 to 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of a general sales agent.

REVIEW OF THE BUSINESS

The loss for the period amounted to **Rs 198,523** (period ended 31 December 2013 – loss of Rs 207,522). The directors have not declared any dividends during the period ended 31 March 2015 (period ended 31 December 2013: Rs NIL).

CHANGE IN ACCOUNTING PERIOD

Comparative results refer to the period from 01 October 2012 to 31 December 2013, whereas the current period results refer to the period from 01 January 2014 to 31 March 2015. The Company has changed its financial year end to 31 March 2015. The reporting year end of the Company's intermediate parent, Thomas Cook (India) Limited, has changed from 31 December to 31 March. The Company has therefore aligned its reporting year end with that of its intermediate parent to facilitate consolidation at the intermediate parent's level.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

The financial statements of the Company for the period ended 31 March 2015 are set out on pages 7 to 22. The auditor's report on these financial statements is on pages 5 and 6.

DIRECTORS

The list of directors of the Company who held office during the period is set out on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The directors 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 Mauritian 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.

THOMAS COOK (MAURITIUS) TRAVEL LTD

ANNUAL REPORT (CONTINUED)

DIRECTORS' INTERESTS

The directors do not hold any interests in the ordinary share capital of the Company.

SIGNIFICANT CONTRACTS

No contracts of significance or loans existed during the period under review between the Company and its Directors.

DONATIONS

The Company made donations of **Rs NIL** during the period ended 31 March 2015 (period ended 31 December 2013 – Rs NIL).

DIRECTORS' REMUNERATION

During the period from 01 January 2014 to 31 March 2015, remuneration paid to the directors by the Company are as follows:

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Directors' remuneration - Sitting Fee	**NIL**	30,000

FEES PAID TO AUDITOR

The fees, excluding VAT charged by the auditor, PricewaterhouseCoopers, for audit and other services, were:

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Audit fees	**70,000**	70,000
Other services	**15,750**	15,750
	85,750	85,750

AUDITOR

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

Authorised for issue by the Board of Directors on May 07 2015
and signed on its behalf by:

} DIRECTORS

THOMAS COOK (MAURITIUS) TRAVEL LTD

15 MONTHS ENDED 31 MARCH 2015

SECRETARY'S CERTIFICATE

In our capacity as Company Secretary, we hereby certify, to the best of our knowledge and belief, that **Thomas Cook (Mauritius) Travel Limited** has filed with the Registrar of Companies, for the financial period ended 31 March 2015, all such returns as are required of the Company under The Mauritius Companies Act 2001, and that all such returns are true, correct and up to date.

EXECUTIVE SERVICES LIMITED
Per Ah Man WONG TOO YAN
Secretary

Date: May 07 2015

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Independent Auditor's Report

To the Shareholder of Thomas Cook (Mauritius) Travel Ltd

Report on the Financial Statements

We have audited the financial statements of Thomas Cook (Mauritius) Travel Ltd (the "Company") on pages 7 to 21 which comprise the statement of financial position at 31 March 2015 and the statements of comprehensive income, changes in equity and cash flows for the period from 01 January 2014 to 31 March 2015 , and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's 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 requirements of the Mauritian Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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.

PricewaterhouseCoopers, 18 CyberCity, Ebène, Réduit 72201, Republic of Mauritius
T: +230 404 5000, F: +230 404 5088/89, www.pwc.com/mu
Business Registration Number : F07000530

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Independent Auditor's Report

To the Shareholder of Thomas Cook (Mauritius) Travel Ltd (Continued)

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements on pages 7 to 21 give a true and fair view of the financial position of the Company at 31 March 2015 and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company other than in our capacity as auditor and tax advisor;

(b) we have obtained all the information and explanations we have required; and

(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

PricewaterhouseCoopers

Mushtaq Oosman, licensed by FRC

11 May 2015

THOMAS COOK (MAURITIUS) TRAVEL LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

		31 March 2015	31 December 2013
		Rs	Rs
ASSETS			
Current assets			
Trade and other receivables (Note 3)		838,874	828,521
Cash and cash equivalents (Note 4)		108,659	305,978
Total current assets		947,533	1,134,499
Total assets	Rs	947,533	1,134,499
EQUITY AND LIABILITIES			
Equity attributable to owner			
Stated capital (Note 5)		1,310,000	1,310,000
Accumulated losses		(2,290,144)	(2,091,621)
Total equity		(980,144)	(781,621)
Current liabilities			
Trade and other payables (Note 6)		1,927,677	1,916,120
Total equity and liabilities	Rs	947,533	1,134,499

These financial statements have been approved for issue by the Board of Directors on May 07 2015

Name of directors

Signature

....

....

The notes on pages 11 to 21 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) TRAVEL LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

		Period from 01 January 2014 to 31 March 2015	Period from 01 October 2012 to 31 December 2013
		Rs	Rs
Administrative expenses		(200,967)	(209,139)
Operating loss		(200,967)	(209,139)
Finance income (Note 7)		2,444	1,617
Loss before income tax		(198,523)	(207,522)
Income tax (Note 8)		-	-
Loss for the period (Note 9)		(198,523)	(207,522)
Other comprehensive income		-	-
Loss and total comprehensive income for the period	Rs	(198,523)	(207,522)

The notes on pages 11 to 21 form an integral part of these financial statements.

THOMAS COOK (MAURITIUS) TRAVEL LTD

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

		Stated capital Rs	Accumulated losses Rs	Total equity Rs
At 01 October 2012		1,310,000	(1,884,099)	(574,099)
Loss and total comprehensive income for the period		-	(207,522)	(207,522)
At 31 December 2013		**1,310,000**	**(2,091,621)**	**(781,621)**
Loss and total comprehensive income for the period		**-**	**(198,523)**	**(198,523)**
At 31 March 2015	Rs	**1,310,000**	**(2,290,144)**	**(980,144)**

THOMAS COOK (MAURITIUS) TRAVEL LTD

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 01 JANUARY 2014 TO 31 MARCH 2015

		Period from 01 January 2014 to 31 March 2015	Period from 01 October 2012 to 31 December 2013
		Rs	Rs
Cash flows from operating activities			
Loss before income tax		(198,523)	(207,522)
Adjustments for:			
Interest income		(2,444)	(1,617)
Cash flow from operations before working capital changes		(200,967)	(209,139)
Increase in trade and other receivables		(10,353)	(10,756)
Increase in trade and other payables		11,557	363,679
Net cash (used in)/from operations		(199,763)	143,784
Cash flows from investing activities			
Interest received		2,444	1,617
Net cash from investing activities		2,444	1,617
Net (decrease)/increase in cash and cash equivalents		(197,319)	145,401
Cash and cash equivalents at beginning of the period		305,978	160,577
Cash and cash equivalents at end of the period	Rs	108,659	305,978
Represented by:-			
Cash at bank	Rs	108,659	305,978

The notes on pages 11 to 21 form an integral part of these financial statements.

1 CORPORATE INFORMATION

Thomas Cook (Mauritius) Travel Ltd (the "Company") is a private company limited by shares incorporated and domiciled in Mauritius. The registered office is situated at Ground Floor, Anglo Mauritius House, 4 Intendence Street, Port Louis.

The main activity of the Company is that of a general sales agent.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied 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.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). The financial statements have been prepared under the historical cost convention. The financial statements are presented in Mauritian rupee.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. At 31 March 2015, the directors are of opinion that there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the preparation of these financial statements.

Going concern

The Company is in a net liability and net current liabilities positions of **Rs 980,144** at 31 March 2015 (31 December 2013 – Rs 781,621). The intermediate parent, Thomas Cook (India) Ltd has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue its operations in the foreseeable future and will provide financial support so that the Company meets the financing of its liabilities as they fall due. Consequently, the directors have prepared the financial statements on a going concern basis.

(a) New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 01 January 2014 that would be expected to have a material impact on the Company's financial statements.

(b) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January,01 2014, and have not been applied in preparing these financial statements as none of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New standards and interpretations issued but not yet effective (continued)

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company has assessed the impact of IFRS 9 and believes that it would not have a material impact on the Company's financial statements.

Foreign currency translation

Functional currency and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Mauritian Rupee' (Rs), which is the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Financial assets

Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. The directors determine the classification of its financial assets at 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. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Recognition and measurement

Loans and receivables are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

THOMAS COOK (MAURITIUS) TRAVEL LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalent includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Stated capital

Ordinary shares are classified as equity.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period in the country where the Company operates and generate taxable income. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it 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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred income tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions

Provisions are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of air tickets

Fees and commissions on air tickets sold by the Company are recognised when the service has been provided. Commissions earned as the general sales agent of airline operators are recognised on the basis of the revenue derived by the airline operator from all ticket sales made in Mauritius.

Fees and commissions are recognised on an accrual basis when the service has been provided.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividend income

Dividend income is recognised when the right to receive payment is established.

Dividend distribution

Dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholder.

Expenses

Expenses are accounted for on an accrual basis. All expenses are charged to profit or loss.

Comparative figures

The Company has changed its accounting year end to 31 March 2015. The current year's results covers the period from 01 January 2014 to 31 March 2015 while the comparative results cover the year ended from 01 October 2012 to 31 December 2013.

Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash and cash equivalents, and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in Note 11.

3 TRADE AND OTHER RECEIVABLES

	31 March 2015 Rs	31 December 2013 Rs
Trade receivables	-	53,050
Less: Provision for doubtful debts	-	(53,050)
	-	-
Other receivables	**824,499**	813,493
Prepayments	**14,375**	15,028
Rs	**838,874**	828,521

All receivables are denominated in Mauritian Rupee, which is the functional currency of the Company.

Other receivables comprise input VAT receivables of **Rs 824,499** (31 December 2013: Rs 813,493), which is considered to be fully recoverable from the authorities.

4 CASH AND CASH EQUIVALENTS

		31 March 2015 Rs	31 December 2013 Rs
Cash at bank	Rs	108,659	305,978

Cash and cash equivalents represent cash at bank.

5 STATED CAPITAL

		31 March 2015 Rs	31 December 2013 Rs
Stated capital			
Issued and fully paid:			
13,100 Ordinary shares of Rs100 each	Rs	1,310,000	1,310,000

The Company has one class of ordinary share which carries a right to vote but no right to fixed income.

6 TRADE AND OTHER PAYABLES

		31 March 2015 Rs	31 December 2013 Rs
Amount due to related parties (Note 10)		1,766,677	1,770,945
Accruals and other payables		161,000	145,175
	Rs	1,927,677	1,916,120

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

7 FINANCE INCOME

		Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Interest income from cash at bank	Rs	2,444	1,617

8 INCOME TAX

Income tax expense is calculated at the rate of 17%, including 2% CSR tax (2013: 17%) on the profit for the year as adjusted for income tax purposes. However, no provision has been made in the financial statements as the Company has accumulated tax losses available for offsetting in future.

The tax on the Company's loss before income tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

		Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Loss before income tax	Rs	(198,523)	(207,522)
Tax calculated at a rate of 17% (2013: 17%)		(33,749)	(35,279)
Adjustments for:-			
Non tax allowable expenses		8,598	-
Deferred income tax asset on tax losses not recognised		25,151	35,279
Income tax expense for the period	Rs	-	-

The Company has accumulated tax losses of **Rs 525,032** (31 December 2013: Rs 377,084) with the following expiry dates:

		Rs
30 September 2017		169,562
31 December 2018		207,522
31 March 2020		147,948
	Rs	525,032

The Company has not recognised deferred income tax assets of **Rs 89,255** (2013: Rs 64,104) arising on accumulated tax losses of **Rs 525,032** (2013: Rs 377,084) as the directors believe that the Company will not generate sufficient taxable profits in the future.

9 LOSS FOR THE PERIOD

	Period from 01 January 2014 to 31 March 2015 Rs	Period from 01 October 2012 to 31 December 2013 Rs
Net loss is arrived at after charging		
Professional services:		
Audit fees	70,000	70,000
Taxation services	15,750	15,750
Secretarial services	34,653	16,613
Other professional services	50,000	50,000
Directors' fees	-	30,000

10 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related only if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

			31 March 2015	31 December 2013
Amount due to related parties:			Rs	Rs
(i)	*Thomas Cook (Mauritius) Holidays Ltd (Fellow Subsidiary)*			
	At 01 January / 01 October		650,602	596,310
	Receipts during the year		-	54,292
	Payments during the year		(650,602)	-
	At 31 March / 31 December	Rs	-	650,602
(ii)	*Thomas Cook (Mauritius) Operations Company Limited (Fellow Subsidiary)*			
	At 01 January / 01 October		1,120,343	867,050
	Receipts during the year		646,334	253,293
	At 31 March / 31 December	Rs	1,766,677	1,120,343
	Total amount due to related parties (Note 6)	Rs	1,766,677	1,770,945

The amounts due to related parties are unsecured, interest free and repayable on demand.

Compensation of key management personnel

Directors' fees of **Rs Nil** (period ended 31 December 2013: Rs 30,000) have been incurred by the Company for the period ended 31 March 2015 in relation to directorship services rendered by the directors.

11 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities may expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit 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. The directors believe that since the Company is dormant, the exposure to the above mentioned financial risks is minimal.

THOMAS COOK (MAURITIUS) TRAVEL LTD

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2015 (CONTINUED)

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

Risk management is carried out by finance function under policies approved by the board of directors.

(i) Market risk

(a) Foreign currency risk

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. At 31 March 2015 and 31 December 2013, all the Company's monetary assets and monetary liabilities were denominated in Mauritian rupees and hence, the Company was not exposed to foreign currency risk.

(b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Company holds a limited amount of cash and cash equivalents that expose the Company to cash flow interest rate risk. However, the impact is not significant.

(c) Price risk

The Company is not exposed to price risk.

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk arises mainly on its cash balances. The Company's maximum exposure to credit risk is limited to the carrying amount of its cash at bank, as stated on the statement of financial position. Cash transactions are limited to high credit quality of financial institutions and at 31 March 2015, the Company's cash was placed with a reputable bank.

(iii) Liquidity risk

The Company is exposed to liquidity risk, which is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities when they fall due. The table below represents the undiscounted amounts as the effect of discounting is not material.

		31 March 2015 Less than 1 year Rs	31 December 2013 Less than 1 year Rs
Trade and other payables	Rs	**1,927,677**	1,916,120

The Company has recourse to its intermediate parent for its financing requirements. Hence, liquidity risk is considered as low.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern.

The capital structure of the Company consists of stated capital. The accumulated losses have been funded by related parties.

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair values

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

Categories of financial instruments

		31 March 2015	31December 2013
		Rs	Rs
Financial assets (Loans and receivables)			
Cash at bank	Rs	108,659	305,978
Financial liabilities (At amortised cost)			
Trade and other payables	Rs	1,927,677	1,916,120

12 HOLDING AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company, Thomas Cook (Mauritius) Holding Company Limited holds 100% of the shares of the Company. Thomas Cook (India) Limited, a Company incorporated in India, holds 100% of the shares of Thomas Cook (Mauritius) Holding Company Limited.

Fairbridge Capital (Mauritius) Limited ("Fairbridge"), a subsidiary of Fairfax Financial Holdings Limited (the "ultimate parent"), Canada, held 185,653,725 equity shares of INR 1/- each corresponding to 74.96% stake in Thomas Cook (India) Limited as on 31 December 2013. As at 31 March 2015, the Fairfax Group (including Fairbridge and its affiliates) holds 203,923,725 equity shares of INR 1/- each corresponding to 74.77% stake in Thomas Cook (India) Limited.

13 CHANGE IN ACCOUNTING PERIOD AND COMPARATIVES

Comparative results refer to the period from 01 October 2012 to 31 December 2013, whereas the current period results refer to the period from 01 January 2014 to 31 March 2015. The Company has changed its reporting year end to 31 March 2015. The reporting year end of the Company's intermediate parent, Thomas Cook (India) Ltd, has changed from 31 December to 31 March. The Company has therefore aligned its reporting year end with that of its intermediate parent to facilitate consolidation at the intermediate parent's level.

The comparative amounts for the statements of comprehensive income, changes in equity, cash flows and related notes are therefore not directly comparable.

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Financial Statements
together with the Auditors' Report
for the year ended 31 March 2015

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Financial statements together with Independent Auditors' Report
as at 31st March 2015

Contents

B S R & Associates LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Independent Auditors' Report

To the Members of Aravon Services Private Limited

(formerly known as ARAMARK India Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Aravon Services Private Limited (Formerly known as ARAMARK India Private Limited) ('the Company') which comprise the Balance sheet as at 31 March 2015, the Statement of profit and loss, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability, Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalaxmi
Mumbai - 400 011

Independent Auditors' Report *(Continued)*

Aravon Services Private Limited

(formerly known as ARAMARK India Private Limited)

Auditor's Responsibility ***(Continued)***

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

Independent Auditors' Report *(Continued)*

Aravon Services Private Limited

(formerly known as ARAMARK India Private Limited)

Report on Other Legal and Regulatory Requirements ***(Continued)***

e. On the basis of the written representations received from the directors as at 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Auditor and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements– Refer note 26.1 to the financial statements;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/ W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
13 July 2015

Aravon Services Private Limited

(formerly known as ARAMARK India Private Limited)

Annexure to the Independent Auditors' Report – 31 March 2015

(Referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification during the year.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and these have been dealt with in the books of account.

(iii) The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialized requirements and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and inventories and sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.

(v) The Company has not accepted any deposits from the public.

(vi) As informed to us by the Management, the Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value added tax, Labour welfare fund, Profession tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

Aravon Services Private Limited

(formerly known as ARAMARK India Private Limited)

Annexure to the Independent Auditors' Report – 31 March 2015 *(Continued)*

According to the information and explanations given to us, the Company did not have any dues on account of Customs duty, Excise duty and Wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Value added tax, Labour welfare fund, Profession tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable, *except for the dues stated below*

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates
Professional Tax Act, 1975	Professional tax	80,404	2007-08
	Professional tax	102,315	2008-09
	Professional tax	8,170	2010-11
	Professional Tax	14,573	2011-12
Maharashtra Value Added Tax, 2002	Value added tax	58,547	2012-13

(b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax and Value added tax which have not been deposited with the appropriate authorities on account of any dispute *except as follows*:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	6,288,410	2008-09	Income Tax Appellate Tribunal
Income-tax Act, 1961	Penalty	5,570,336	2008-09	Commissioner of Income tax (Appeals)
Maharashtra Value Added Tax, 2002	Penalty	498,879	2008-09	Deputy Commissioner of Sales Tax

(c) According to the information and explanations given to us, there are no amounts which were required to be transferred to the investor education and protection fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

Aravon Services Private Limited

(formerly known as ARAMARK India Private Limited)

Annexure to the Independent Auditors' Report – 31 March 2015 *(Continued)*

(viii) *The accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial year and in the immediately preceding financial year.*

(ix) The Company did not have any outstanding dues to any financial institutions, banks or debenture-holders during the year.

(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) The Company did not have term loans outstanding during the year.

(xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
13 July 2015

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Balance sheet
as at 31st March 2015

(Currency: in Indian Rupees)

	Note	31 March 2015	31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	**394,115,570**	391,540,570
Reserves and surplus	5	**(297,611,581)**	(291,934,670)
		96,503,989	99,605,900
Non-current liabilities			
Other long-term liabilities	6	-	1,582,188
		-	1,582,188
Current liabilities			
Short-term borrowings	7	-	11,002,093
Trade payables	8	**10,590,512**	39,353,481
Other current liabilities	9	**73,676,800**	48,493,897
Short-term provisions	10	**7,219,568**	8,529,917
		91,486,880	107,379,388
		187,990,869	208,567,476
ASSETS			
Non-current assets			
Fixed assets			
i) Tangible assets	11 a	**20,783,309**	41,083,846
ii) Intangible assests	11 b	**1,943,020**	598,713
iii) Intangible assets under development	11 b	-	900,565
		22,726,329	42,583,124
Deferred tax assets	12	-	-
Long-term loans and advances	13	**29,520,406**	29,911,933
Other non-current assets	14	**1,587,653**	674,722
		31,108,059	30,586,655
Current assets			
Inventories	15	**2,911,056**	3,792,591
Trade receivables	16	**87,120,246**	108,070,326
Cash and bank balances	17	**19,448,899**	2,365,724
Short-term loans and advances	18	**13,237,809**	12,056,867
Other current assets	19	**11,438,471**	9,112,189
		134,156,481	135,397,697
		187,990,869	208,567,476
Significant accounting policies	3		

The accompanying notes from 1 - 26 form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/ W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
Date: 13 ... 2015

For and behalf of Board of Directors of
Aravon Services Private Limited
(Formerly known as Aramark India Private Limited)
CIN: U93000MH2007FTC172493

Ranjit Nair
Director
DIN: 07086634

Mumbai
Date:

Subrata Nag
Director
DIN: 02234000

Nupur Singh
Secretary
A36306

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Statement of profit and loss
for the year ended 31 March 2015

(Currency: Indian Rupees)

	Note	31 March 2015	31 March 2014
Revenue			
Revenue from operations	*20*	**456,674,937**	343,145,899
Other income	*21*	**24,107,389**	1,980,986
Total revenue		**480,782,326**	345,126,885
Expenses			
Cost of materials consumed	*22*	**48,168,323**	43,768,414
Employee benefits	*23*	**392,393,921**	295,414,771
Finance costs	*24*	**283,941**	481,292
Depreciation and amortisation	*11 a & 11 b*	**20,729,374**	8,436,107
Other expenses	*25*	**73,808,678**	65,690,034
Total expenses		**535,384,237**	413,790,618
Loss before tax		**(54,601,911)**	(68,663,733)
Tax expense:			
- Current tax		-	-
- Deferred tax	*12*	-	-
Loss after tax		**(54,601,911)**	(68,663,733)
Basic earnings per equity share of face value of Rs 10 each	*26.6*	**(1.39)**	(1.77)
Significant accounting policies	*3*		

The accompanying notes from 1- 26 form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/ W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
Date: 13 JUL 2015

For and behalf of Board of Directors of
Aravon Services Private Limited
(Formerly known as Aramark India Private Limited)
CIN: U93000MH2007FTC172493

Ranjit Nair
Director
DIN: 07086634

Subrata Nag
Director
DIN: 02234000

Mumbai
Date: 13 JUL 2015

Nupur Singh
Secretary
A36306

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Cash flow statement
for the year ended 31 March 2015

(Currency: Indian Rupees)

		31 March 2015	31 March 2014
A.	**Cash flow from operating activities**		
	(Loss) for the year before tax	**(54,601,911)**	(68,663,733)
	Adjustments :		
	Depreciation and amortisation	**20,729,374**	8,436,107
	Liabilities no longer required written back	**(22,785,821)**	-
	Interest income	**(507,862)**	(217,975)
	Finance costs	**283,941**	481,292
	Provision for doubtful receivables	**11,318,107**	3,268,458
	Provision for security deposit	**2,578,780**	955,000
	Bad debts written-off	**165,943**	-
	Loss on sale of fixed assets / discarded (net)	**2,074,518**	226,083
	Operating (loss) before working capital changes	**(40,744,931)**	(55,514,768)
	Adjustments for:		
	(Decrease) / increase in provisions	**(1,310,349)**	822,068
	(Decrease) / Increase in trade payables	**(7,283,091)**	7,478,728
	Increase in other liabilities	**24,095,702**	9,879,376
	Decrease / (increase) in loans and advances	**4,523,000**	(1,382,174)
	(Increase) in other current assets	**(3,210,941)**	(6,611,799)
	Decrease / (increase) in inventory	**881,535**	(1,413,648)
	Decrease / (increase) in trade receivables	**9,466,030**	(43,248,602)
	Cash (used in) / operating activities	**(13,583,044)**	(89,990,819)
	Income taxes paid	**(6,585,252)**	(5,127,332)
	Net cash (used in) / operating activities (A)	**(20,168,296)**	(95,118,151)
B.	**Cash flow from investing activities**		
	Purchase of fixed assets	**(3,769,310)**	(27,855,292)
	Interest income	**479,589**	242,142
	Proceeds from sale of fixed assets	**327,226**	187,042
	Net cash (used in) / investing activities (B)	**(2,962,495)**	(27,426,108)
C.	**Cash flow from financing activities**		
	Proceeds from fresh issue of share capital	**51,500,000**	93,600,000
	(Repayment) / proceeds from short term borrowings	**(11,002,093)**	10,973,337
	Finance costs paid	**(283,941)**	(481,292)
	Net cash generated from financing activities (C)	**40,213,966**	104,092,045
	Net increase / (decrease) in cash and cash equivalent (A+B+C)	**17,083,175**	(18,452,214)
	Cash and cash equivalents at the beginning of year	**2,365,724**	20,817,938
	Cash and cash equivalents at the end of year (See below)	**19,448,899**	2,365,724

B S R & Associates LLP
1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400 011. India.
Chartered Accountants

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Cash flow statement *(Continued)*
for the year ended 31 March 2015

(Currency: Indian Rupees)

	31 March 2015	31 March 2014
Notes to cash flow statement		
Cash and cash equivalents at the year-end comprise:		
Cash in hand	**627,630**	596,312
Balance with scheduled banks in		
-- Current accounts	**7,654,269**	1,769,412
-- in fixed deposit account with original maturity less than three months	**11,167,000**	-
	19,448,899	2,365,724

The cash flow statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS -3) on Cash flow statement prescribed in the Companies (Accounting Standards) Rules, 2006.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/ W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
Date: 13 JUL 2015

For and behalf of Board of Directors of
Aravon Services Private Limited
(Formerly known as Aramark India Private Limited)
CIN: U93000MH2007FTC172493

Ranjit Nair
Director
DIN: 07086634

Subrata Nag
Director
DIN: 02234000

Mumbai
Date: 13 JUL 2015

Nupur Singh
Secretary
A36306

Notes to the financial statements

for the year ended 31 March 2015

(Currency : Indian Rupees)

1 Background

ARAMARK India Private Limited ('ARAMARK' or 'the Company') was incorporated on 19 July 2007 under the Companies Act, 1956. The Company is a 100% subsidiary of ARAMARK Corporation, USA ('Ultimate Holding Company') and is engaged in rendering integrated food and facility management services to corporate customers in India, predominantly in the areas of housekeeping services and guest house management services.

On 12 February 2015, the existing shareholders of the Company entered into a share purchase agreement with Quess Corp Limited. On 01 April 2015, the existing shareholders transferred all shares held by them to Quess Corp Limited vide Share Purchase agreement dated 12 February 2015. Consequently, Quess Corp Limited owns 39,411,557 equity shares which constitutes 100% capital of the Company.

On 26 May 2015, the Company received a fresh certificate of incorporation from Registrar of Companies changing the name of the Company from Aramark India Private Limited to Aravon Services Private Limited.

2 Going Concern

As at 31 March 2015, the accumulated losses have substantially eroded the net worth of the Company. However the Company has no intention of discontinuing its core business of facility management nor does the Company have any plans that may materially affect the carrying value or classification of assets and liabilities. The Management of the Company believes that the Company will be able to continue to operate as a going concern and meet all its liabilities as they fall due for payment based on its cash flow projections and unconditional financial support from Quess Corp Limited, the holding company as on date. Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Company is unable to continue as a going concern.

3 Significant accounting policies

3.1 Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting and comply with the Accounting Standards ('AS') prescribed specified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and other accounting principles generally accepted in India (Indian GAAP), to the extent applicable. The financial statements are presented in Indian rupees.

The Company is a small and medium sized company ("SMC") in accordance with the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with National Advisory Committee on Accounting Standards. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

3.2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

3.3 Current - non current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realised within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

(Currency : Indian Rupees)

3 Significant accounting policies *(Continued)*

3.3 *Current - non-current classification (Continued)*

Liabilities

A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle:
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

3.4 *Fixed assets and depreciation / amortisation*

a Tangible assets

Fixed assets are stated at cost of acquisition less accumulated depreciation / amortization and impairment, if any. Cost includes purchase price and other cost attributable to acquisition and installation of the assets.

Depreciation on tangible fixed assets is provided on the straight line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged. The useful life of the assets is assessed based on the technical evaluation and internal assessment taking into account nature of asset, estimated usage of asset, operating condition and past history of replacement. During the year, the Company has revised the estimated useful life of the certain fixed assets, since the management believe that these revised useful lives more appropriately reflect the period of economic benefit to be derived from the use of such assets and hence would result in a more appropriate proportion and presentation of the financial statements. The existing and revised useful lives are as below: -

Asset class	Earlier useful life (Years)	Current useful life (Years)
Plant and machinery*	20 years	4 years
Office equipment	20 years	5 years
Computers*	6 years	4 years
Furniture and fittings*	15 years	4 years
Vehicles	10 years	8 years

Had the Company provided for the depreciation on SLM basis using the previously assessed useful lives, the depreciation charge for the year ended 31 March 2015 would have been lower by Rs.7,629,268. (Refer note 3.14)

* For these class of assets, based on internal assessment and technical evaluation carried out by the vendor, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold improvement are amortised over the lower of useful life of the assets and lease term of the leasehold premises on a straightline basis.

b Intangible assets

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortised on a straight line basis over its useful life, not exceeding five years, as determined by management.

3 Significant accounting policies *(Continued)*

3.4 *Fixed assets and depreciation / amortisation (Continued)*

c *Intangible assets under development*

Comprises of the cost of fixed assets that are not ready for their intended use as at the Balance sheet date.

3.5 *Impairment of assets*

In accordance with AS 28 on 'Impairment of Assets' as prescribed in the Companies (Accounting Standards) Rules, 2006, read with Rule 7 of the Companies (Accounts) Rules, 2014 where there is an indication of impairment of the Company's asset, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or the cash generating unit to which it belongs exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.
Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

3.6 *Inventories*

Inventories comprising of consumables are valued at lower of cost and net realizable value. Cost is determined on the basis of first in first out (FIFO) method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

3.7 *Revenue recognition*

Revenue is recognised upon rendering of services as per customer contracts to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest income is recognized on a time proportion basis.

3.8 *Foreign currency transactions*

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the statement of profit and loss for the period.

Monetary assets and liabilities in foreign currency which are outstanding as at the year-end are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary foreign currency items are carried at cost.

3.9 *Employee benefits*

(a) *Short-term employee benefits*

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

(b) *Post employment benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(Currency : Indian Rupees)

3 Significant accounting policies *(Continued)*

3.9 Employee benefits (Continued)

(b) *Post employment benefits (Continued)*

Defined contribution plans (Continued)

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.
The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each balance sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the balance sheet date.
Actuarial gains and losses are recognised immediately in the statement of profit and loss.

3.10 Operating leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating leases. Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis.

3.11 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is recognised in accordance with the provisions of the Income-tax Act, 1961 and is made based on the tax liability using the applicable tax rates and tax laws after taking credit for tax allowances and exemptions.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits or losses offered for income taxes and profits / losses as per the financial statements. Deferred tax assets and liabilities and the corresponding deferred tax credit or charge are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the balance sheet date.
Deferred tax asset is recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognised only if there is a virtual certainty of realisation of such asset. Deferred tax asset is reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain to be realised.

3.12 Earnings per share ('EPS')

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

3.13 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

(Currency : Indian Rupees)

3 Significant accounting policies *(Continued)*

3.14 Change in accounting policy

The Company has revised its policy of providing depreciation on fixed assets effective 1 April, 2014. Depreciation is now provided on a straight line basis for all assets as against the policy of providing on written down value basis. The carrying amount as on 1 April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charge for the year ended 31 March 2015 is lower by Rs. 5,846,951 and the effect relating to the period prior to 1 April, 2014 is credit of Rs 3,801,274 in the statement of profit and loss.

(Currency: in Indian Rupees)

		31 March 2015	31 March 2014
4	**Share capital**		
	Authorised		
	45,000,000 (31 March 2014: 45,000,000) equity shares of Rs 10 each	450,000,000	450,000,000
	Issued, subscribed and fully paid-up		
	39,411,557 (31 March 2014: 39,154,057) equity shares of Rs 10 each	394,115,570	391,540,570
	Total issued, subscribed and fully paid-up share capital	394,115,570	391,540,570

Note :

a Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	31 March 2015		31 March 2014	
Equity shares	**Number of shares**	**Amount**	**Number of shares**	**Amount**
At the beginning of the year	39,154,057	391,540,570	38,686,057	386,860,570
Issued during the year	257,500	2,575,000	468,000	4,680,000
Outstanding at the end of the year	39,411,557	394,115,570	39,154,057	391,540,570

b Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates.

	31 March 2015		31 March 2014	
Equity Share of Rs 10 each fully paid-up held by:	**Number of shares**	**Amount**	**Number of shares**	**Amount**
ARAMARK Senior Notes Co., US , the holding company	39,411,547	394,115,470	39,154,047	391,540,470
ARAMARK India Holdings LLC, US. Subsidiary of the ultimate holding company (Aramark Corporation, US)	10	100	10	100

c Particulars of shareholders holding more than 5% of aggregate shares in the Company

	31 March 2015		31 March 2014	
	Number of shares	**% holding in class**	**Number of shares**	**% holding in class**
Equity shares of Rs. 10 each fully paid				
ARAMARK Senior Notes Co., US	39,411,547	99.99%	39,154,047	99.99%

d Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Each equity holder is entitled to one vote per share.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of preferential amounts if any, in proportion to the number of equity shares held.

(Currency: in Indian Rupees)

	31 March 2015	31 March 2014
5 Reserves and surplus		
Securities premium account		
At the commencement of the year	**282,866,080**	193,946,080
Add: Premium received on issue of equity shares	**48,925,000**	88,920,000
	331,791,080	282,866,080
(Deficit) in statement of profit and loss		
At the commencement of the year	**(574,800,750)**	(506,137,017)
(Loss) for the year	**(54,601,911)**	(68,663,733)
At the end of the year	**(629,402,661)**	(574,800,750)
	(297,611,581)	(291,934,670)
6 Other long-term liabilities		
Rent equalisation	-	1,352,188
Deposit received	-	230,000
	-	1,582,188
7 Short-term borrowings		
Loans repayable on demand		
Unsecured loan		
- Cash credit from banks*	-	11,002,093
	-	11,002,093

* Cash credit from banks carry interest @ 2% over the prime lending rate computed on a monthly basis on actual amount utilised, and are repayable on demand. These are secured by standby letter of credit from Barclays Bank PLC, USA arranged by Aramark Corporation, US (erstwhile Ultimate Holding Company).

Cash credit facility has been withdrawn during the year ended 31 March 2015

	31 March 2015	31 March 2014
8 Trade payables		
For goods and services		
Due to		
- micro and small suppliers (refer note 26.3)	**101,745**	41,361
- others	**10,488,767**	39,312,120
	10,590,512	39,353,481

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Notes to the financial statements *(Continued)*
as at 31 March 2015

(Currency: in Indian Rupees)

		31 March 2015	31 March 2014
9	**Other current liabilities**		
	Capital creditors	**80,197**	575,184
	Employee benefits payable	**64,557,739**	34,874,484
	Deposits received	**407,889**	897,717
	Statutory dues*	**8,630,975**	12,146,512
		73,676,800	48,493,897
	*** Statutory dues include:**		
	- Service tax	**2,642,731**	4,152,517
	- TDS payable	**482,930**	2,595,880
	- Provident fund	**3,704,365**	3,542,580
	- ESIC	**873,066**	968,288
	- Profession tax	**405,762**	506,004
	- Sales tax	**499,129**	307,562
	- Labour welfare fund	**22,992**	73,681
10	**Short- term provisions**		
	Provision for employee benefits		
	Gratuity (refer note 26.2)	**3,126,755**	3,848,462
	Compensated absences	**4,092,813**	4,681,455
		7,219,568	8,529,917

Aravon Services Private Limited

(Formerly known as ARAMARK India Private Limited)

Notes to the financial statements *(Continued)*

as at 31 March 2015

(Currency: in Indian Rupees)

11 Fixed assets

a. Tangible fixed assets

	Plant and machinery	Office equipment	Computers	Furniture and fittings	Leasehold premises	Vehicles	Total
Gross Block							
As at 1 April 2013	11,027,503	783,445	4,033,919	167,565	-	2,004,837	18,017,269
Additions	15,294,473	2,326,785	1,941,044	3,001,885	13,855,023	1,502,080	37,921,290
Deletions	598,322	94,849	101,918	36,050	-	-	831,139
As at 31 March 2014	25,723,654	3,015,381	5,873,045	3,133,400	13,855,023	3,506,917	55,107,420
As at 1 April 2014	25,723,654	3,015,381	5,873,045	3,133,400	13,855,023	3,506,917	55,107,420
Additions	740,217	670,064	1,025,186	21,700	-	-	2,457,167
Deletions	1,587,185	40,598	475,871	37,036	-	1,184,409	3,325,099
As at 31 March 2015	**24,876,686**	**3,644,847**	**6,422,360**	**3,118,064**	**13,855,023**	**2,322,508**	**54,239,488**
Accumulated depreciation							
As at 1 April 2013	2,911,352	244,466	2,503,078	37,541	-	355,931	6,052,368
Charge for the year	2,930,743	427,972	852,293	603,987	2,878,678	695,545	8,389,218
Deletions / adjustments	259,602	50,629	90,136	17,645	-	-	418,012
As at 31 March 2014	5,582,493	621,809	3,265,235	623,883	2,878,678	1,051,476	14,023,574
As at 1 April 2014	5,582,493	621,809	3,265,235	623,883	2,878,678	1,051,476	14,023,574
Charge for the year	5,883,099	1,737,336	648,446	2,120,238	10,142,698	(175,857)	20,355,960
Deletions / adjustments	276,001	32,827	372,604	26,569	-	215,354	923,355
As at 31 March 2015	**11,189,591**	**2,326,318**	**3,541,077**	**2,717,552**	**13,021,376**	**660,265**	**33,456,179**
Net block							
As at 31 March 2014	20,141,161	2,393,572	2,607,810	2,509,517	10,976,345	2,455,441	41,083,846
As at 31 March 2015	**13,687,095**	**1,318,529**	**2,881,283**	**400,512**	**833,647**	**1,662,243**	**20,783,309**

Capital work-in-progress

	Plant and machinery	Office equipment	Computers	Furniture and fittings	Leasehold premises	Vehicles	Total
As at 1 April 2013	-		-		14,851,532		14,851,532
Additions	-		-		-		-
Assets Capitalised during the year	-		-		14,851,532		14,851,532
As at 31 March 2014	-	-	-	-	-	-	-
As at 1 April 2014	-		-		-		-
Additions	-		-		-		-
Assets capitalised during the year	-		-		-		-
As at 31 March 2015	-	-	-	-	-	-	-

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Notes to the financial statements *(Continued)*
as at 31 March 2015

(Currency: in Indian Rupees)

11 Fixed assets *(Continued)*

b. Intangible fixed assets

	Software	Total
Gross Block		
As at 1 April 2013	100,000	100,000
Additions	545,712	545,712
Deletions	-	-
As at 31 March 2014	**645,712**	**645,712**
As at 1 April 2014	645,712	645,712
Additions	1,717,721	1,717,721
Deletions	-	-
As at 31 March 2015	**2,363,433**	**2,363,433**
Accumulated amortisation		
As at 1 April 2013	110	110
Charge for the year	46,889	46,889
Impairment		-
Deletions / adjustments	-	-
As at 31 March 2014	**46,999**	**46,999**
As at 1 April 2014	46,999	46,999
Charge for the year	373,414	373,414
Deletions / adjustments	-	-
As at 31 March 2015	**420,413**	**420,413**
Net block		
As at 31 March 2014	598,713	598,713
As at 31 March 2015	**1,943,020**	**1,943,020**

Intangible assets under development

	Software	Total
As at 1 April 2013	-	-
Additions	900,565	900,565
Assets capitalised during the year	-	-
As at 31 March 2014	**900,565**	**900,565**
As at 1 April 2014	900,565	900,565
Additions	-	-
Assets capitalised during the year	900,565	900,565
As at 31 March 2015	-	-

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Notes to the financial statements *(Continued)*
as at 31 March 2015

(Currency: in Indian Rupees)

		31 March 2015	31 March 2014
12	**Deferred tax assets**		
	Deferred tax assets		
	Arising on account of timing difference in : -		
	Expenditure allowed on payment basis under Section 43B of the Income-tax Act, 1961	**7,932,397**	6,521,854
	Provision for doubtful receivables	**6,285,283**	1,650,965
	Disallowance under Section 40(a) of the Income-tax Act, 1961	**2,754,500**	8,495,445
	Un-absorbed depreciation	**65,970,850**	59,008,505
	Carry forward losses	**-**	60,400,424
	Other disallowances	**72,671**	175,170
	Difference between book depreciation and depreciation under the Income-tax Act, 1961	**19,535,177**	19,358,262
		102,550,878	155,610,625
	Deferred tax assets*	**-**	-
	* Deferred tax assets have not been recognised due to absence of virtual certainty of set off of unabsorbed losses against taxable profits in the foreseeable future.		
13	**Long-term loans and advances**		
	(Unsecured, considered good)		
	To parties other than related parties		
	Security deposits	**630,595**	7,607,374
	Other loans and advances		
	Advance income-tax (net of provision for tax of Rs Nil (31 March 2014 : Rs Nil))	**28,889,811**	22,304,559
		29,520,406	29,911,933
14	**Other non-current assets**		
	Balance with bank - fixed deposit accounts with maturity greater than twelve months	**1,587,350**	674,722
	Interest accrued on fixed deposits	**303**	-
		1,587,653	674,722
15	**Inventories**		
	(valued at lower of cost or net realisable value)		
	Consumables	**2,911,056**	3,792,591
		2,911,056	3,792,591
16	**Trade receivables**		
	(Unsecured)		
	Receivables outstanding for a period exceeding six months from the date they became due for payment		
	Considered good	**3,338,912**	5,341,843
	Considered doubtful	**15,147,691**	5,241,157
	Less: Provision for doubtful receivables	**(15,147,691)**	(5,241,157)
		3,338,912	5,341,843
	Other receivables		
	Considered good	**83,781,334**	102,728,483
	Considered doubtful	**1,271,809**	-
	Less: Provision for doubtful receivables	**(1,271,809)**	-
		83,781,334	102,728,483
		87,120,246	108,070,326

(Currency: in Indian Rupees)

		31 March 2015	31 March 2014
17	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	**627,630**	596,312
	Balances with banks		
	- On current account	**7,654,269**	1,769,412
	- On fixed deposit account with original maturity less than three months	**11,167,000**	-
		19,448,899	2,365,724
	Note: Details of other bank balances		
	Bank balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' in note 17	**11,167,000**	-
	Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' in note 14	**1,587,350**	674,722
18	**Short-term loans and advances** *(Unsecured, considered good)*		
	Other short-term loans and advances		
	Cenvat credit receivable	**3,375,101**	5,559,775
	Prepaid expenses	**1,366,143**	1,389,274
	Other loans and advances	**130,935**	60,175
	Advances to employees	**224,960**	248,608
	To parties other than related parties		
	Security deposits (Net of provision Rs. 3,533,780 (31 March 2014 Rs. 955,000))	**8,140,670**	4,799,035
		13,237,809	12,056,867
19	**Other current assets**		
	Unbilled revenue	**11,410,502**	9,112,189
	Interest accrued on fixed deposits	**27,969**	-
		11,438,471	9,112,189

Aravon Services Private Limited
(Formerly known as ARAMARK India Private Limited)

Notes to the financial statements *(Continued)*
for the year ended 31 March 2015

(Currency: in Indian Rupees)

		31 March 2015	31 March 2014
20	**Revenue from operations**		
	Sale of services		
	- Food services	**57,402,511**	43,453,948
	- Housekeeping and manpower services	**392,147,324**	290,991,632
	- Rebillables and others	**7,125,102**	8,700,319
	Revenue from operations	**456,674,937**	343,145,899
21	**Other income**		
	Interest income on bank deposits	**507,862**	217,975
	Liabilities no longer required written back *	**22,785,821**	1,694,501
	Miscellaneous income	**813,706**	68,510
		24,107,389	1,980,986

* Includes Rs. 21,301,890 being liability no longer payable reversed pursuant to Credit Note issued by Aramark Corporation, USA dated 31 August 2014.

		31 March 2015	31 March 2014
22	**Cost of materials consumed**		
	Inventory at the beginning of the year	**3,792,591**	2,378,943
	Add: Purchases	**47,286,788**	45,182,062
		51,079,379	47,561,005
	Less: Inventory at the end of the year	**2,911,056**	3,792,591
	Cost of raw materials consumed	**48,168,323**	43,768,414
	Break-up of cost of materials consumed		
	- Food services	**29,184,057**	25,031,750
	- Housekeeping and manpower services	**13,463,673**	11,739,239
	- Rebillables and others	**5,520,593**	6,997,425
		48,168,323	43,768,414
	Details of inventory		
	Consumables		
	- Food services	**880,579**	1,332,794
	- Housekeeping and manpower services	**2,030,477**	2,459,797
		2,911,056	3,792,591
23	**Employee benefits**		
	Salaries, wages and bonus	**344,285,036**	254,243,799
	Contribution to provident and other funds	**35,521,109**	27,159,462
	Compensated absences	**7,472,841**	6,383,532
	Staff welfare expenses	**5,114,935**	7,627,978
		392,393,921	295,414,771
24	**Finance costs**		
	Interest on cash credit	**283,941**	481,292
		283,941	481,292

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(Currency: in Indian Rupees)

25 Other expenses

		31 March 2015		31 March 2014
Fuel and gas		**3,438,510**		3,287,187
Service charges		**257,881**		1,578,391
Transportation charges		**1,236,581**		1,793,618
Laundry expenses		**720,418**		140,869
Travelling and conveyance expenses		**6,914,039**		11,282,408
Rent		**15,490,111**		16,594,579
Auditors' remuneration (Refer note below)		**1,602,634**		1,346,250
Communication and telephone expenses		**2,563,503**		1,954,437
Printing and stationery		**1,254,392**		1,561,097
Legal and professional fees		**1,933,194**		5,288,908
Vehicle expenses		**154,652**		237,943
Repairs and maintenance				
Building		**4,775,784**		4,775,784
Machinery		**-**		-
Others		**3,373,994**		2,046,116
Water and electricity charges		**1,442,261**		1,656,448
Brokerage expenses		**126,250**		153,559
Office expenses		**579,812**		635,277
Rates and taxes		**4,055,643**		1,277,439
Insurance expenses		**5,419,169**		3,366,251
Provision for doubtful receivables	**11,318,107**		3,268,458	
Less: - Write back of provision, no longer required	**-**	**11,318,107**	-	3,268,458
Bad debts written-off	**305,707**		19,055,776	
Less: - Provision for doubtful receivables	**139,764**	**165,943**	19,055,776	-
Provision for security deposit		**2,578,780**		955,000
Recruitment cost		**523,978**		836,517
Loss on fixed assets discarded (net)		**2,074,518**		226,083
Miscellaneous expenses		**1,808,524**		1,427,415
		73,808,678		65,690,034

Note: Auditors' remuneration (excluding service tax)

	31 March 2015	31 March 2014
As auditor		
Statutory audit	**1,200,000**	1,000,000
Tax audit	**350,000**	306,250
Reimbursement of expenses	**52,634**	40,000
	1,602,634	1,346,250

Notes to the financial statements *(Continued)*
for the year ended 31 March 2015

(Currency : Indian Rupees)

26 Notes to accounts

26.1 Contingent liablities

	31 March 2015	31 March 2014
Contingent liabilities		
Notice of demand received under Section 144 of the Income-tax Act, 1961 in respect of assessment year 2009-10, matter is upheld by Income Tax Appellate Tribunal. The Company has filed a miscellaneous application for the rectification of order issued by the Income Tax Appellate Tribunal.	**6,288,410**	6,288,410
(The Company is contesting the demand and the Management, including its Tax Advisor, believes that the demand is likely to be rejected by the Income Tax Appellate Tribunal on the basis of miscellaneous application and accordingly no provision has been made.)		
Notice of demand received under Section 271 of the Income-tax Act, 1961 in respect of assessment year 2009-10, matter is pending with Commissioner of Income Tax (Appeals).	**5,570,336**	5,570,336
(The Company is contesting the demand and the Management, including its Tax Advisor, believes that the demand is likely to be rejected and accordingly no provision has been made.)		
Disputed Service Tax demand pending with the Commissioner of Service Tax.		
- From October 2007 till March 2012	**142,026,621**	142,026,621
- From April 2012 till September 2013	**5,709,552**	5,709,552
(Service Tax department has inadvertently not considered the payment of Rs. 117,972,984 already made by the Company during the period October 2007 till March 2012. A sum of Rs. 95,655 demanded by the Service Tax department for the services rendered to EOUs during the period October 2007 till March 2012 was paid by the Company subsequent to receiving the demand. For balance amount of Rs 23,957,982 for the period October 2007 till March 2012 and Rs. 5,709,552 for the period April 2012 till September 2013 no provision has been made, since the Company is contesting the demand and the Management including its Legal Advisor believes that the demand is likely to be rejected. The Company has already filed reply to the show cause notice issued by Service Tax department).		
Show cause notice issued by the Additional Commissioner of Service Tax for recovery of CENVAT credit wrongly availed by the Company, under Rule 6(3)(ii) of CENVAT Credit Rules, 2004 (CCR) of Rs. 1,289,182/- along with interest under Rule 6(3A)(i) & Rule 14 of CCR and penalty under Rule 15(3) of CCR.	**1,289,182**	-
(The Company has suo moto reversed the amount of CENVAT Credit wrongly availed of Rs. 1,104,201/-. The Company is contesting the demand and the Management including its Legal Advisor believes that the demand is likely to be rejected. The Company is in the process of filing a reply to the show cause notice issued by Service Tax department).		

26.2 Employee benefits:

(i) Contribution to provident funds

Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident fund for the year is Rs 9,926,510 (31 March 2014: Rs 7,243,230).

(ii) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's defined portion of last salary and the years of employment with the Company. The Company contributes each year to a gratuity fund administered by Life Insurance Corporation of India. The amount recognised as an expense in the Statement of Profit and Loss towards gratuity benefits is Rs 3,749,480 (31 March 2014: Rs 3,932,019)

(Currency : Indian Rupees)

26 Notes to accounts *(Continued)*

26.2 Employee benefits: (Continued)

(ii) Defined benefit plans (Continued)

The following table summarizes the principal assumptions used for defined benefit obligation:

Particulars	31 March 2015	31 March 2014
Discount rate per annum	**7.99%**	8.72%
Rate of return on plan assets	**7.99%**	8.70%
Attrition rate - corporate office staff	**31.00%**	28.00%
Attrition rate - frontline office staff	**42.00%**	45.00%
Salary escalation rate - corporate office staff per annum	**10.00%**	10.00%
Salary escalation rate - frontline office staff per annum	**12.00%**	12.00%

The estimate of future salary increase, considered in the actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The discount rates are based on current market yields on government bonds consistent with the currency and estimated term of the post employment benefits obligations.

26.3 Due to micro and small suppliers

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to Micro and Small Enterprises. On the basis of the information and records available with the management, the following are details related to Micro and Small Enterprises. This has been relied upon by the auditors.

	31 March 2015	31 March 2014
The amounts remaining unpaid to micro and small suppliers as at the end of the year / period		
- Principal	**101,745**	41,361
- Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006')	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year / period) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

26.4 Operating lease obligations

The Company is obligated under non-cancellable leases primarily for office premises which is renewable thereafter as per the term of the respective agreements. Rental payments under operating leases during the year aggregating Rs. 16,842,299 (31 March 2014: Rs 16,416,271) have been charged to the statement profit and loss.

(Currency : Indian Rupees)

26 Notes to accounts *(Continued)*

26.5 a) *CIF Value of import*

Particulars	31 March 2015	31 March 2014
CIF Value of materials	72,935	1,309,048
CIF Value of capital goods	-	3,796,677
Total	72,935	5,105,725

b) *Expenditure in foreign currency (on accrual basis)*

Particulars	31 March 2015	31 March 2014
Professional and consultancy fees*	667,154	2,506,928
Personnel cost*	3,383,019	6,741,868
Royalty expenses*	-	280,161
Total	4,050,173	9,528,957

* The liability (including current year charges) has been reversed vide Credit Note issued by Aramark Corporation, USA dated 31 August 2014.

26.6 Computation of Earnings per share (EPS)

Particulars	31 March 2015	31 March 2014
Net (loss) attributable to equity shareholders	(54,601,911)	(68,663,733)
Calculation of weighted average number of equity shares for basic earning per share		
Number of equity shares at the beginning of the year	39,154,057	38,686,057
Equity shares issued during the year	257,500	468,000
Number of equity shares at the end of the year	39,411,557	39,154,057
Weighted average number of equity shares outstanding during the year for basic EPS	39,294,954	38,802,473
Basic earnings per share (Rs)	(1.39)	(1.77)

26.7 Related party disclosures

I. Related party relationships

A. Parties where control exists

Holding Company
1 ARAMARK Senior Notes Co., US (till 31 March 2015)

Ultimate Holding Company
1 ARAMARK Corporation, US (till 31 March 2015)

B. Key Managerial Personnel
1 Mr. Luis Manickam, Director and President (till 31 March 2015)
2 Mr. Balkishan Chandak, Director (From 29 September 2014 until 31 March 2015)

Notes to the financial statements *(Continued)*
for the year ended 31 March 2015

(Currency : Indian Rupees)

26 Notes to accounts *(Continued)*

26.7 Related party disclosures (Continued)

II Related party with whom transactions have taken place during the year

Particulars	31 March 2015	31 March 2014
Holding Company		
Issue of equity shares	**2,575,000**	4,680,000
Securities premium on equity shares issued	**48,925,000**	88,920,000
Ultimate Holding company		
Professional and consultancy fees	**667,154**	2,506,928
Personnel cost	**3,383,019**	6,741,868
Recovery of expenses (receipt)	**(726,022)**	(6,038,220)
Royalty expenses	**-**	280,161
Reimbursment of expenses	**-**	448,277
Liabilities no longer required written back #	**(23,754,209)**	-
Stand-by letter of credit from Barclays Bank PLC USA, arranged by Aramark Corporation US (Ultimate Holding Company) in favour of the Company for a sanctioned cash credit limit of Rs. 2.70 crores stands withdrawn as at 31st March 2015.	**-**	11,002,093
Key management personnel		
Remuneration*		
- Luis Manickam	**41,032,736**	21,087,253
- Balkishan Chandak	**7,557,658**	-
Closing balance		
Ultimate Holding Company		
ARAMARK Corporation, US (Payable) #	**-**	20,430,058
Key management personnel		
Remuneration payable		
- Luis Manickam	**14,461,411**	666,534
- Balkishan Chandak	**4,564,018**	-

* Remuneration does not include charge for gratuity and leave encashment as employee-wise break up is not available

\# During the year, Aramark Corporation had issued a credit note dated 31 August 2014 for Rs. 23,754,209/- towards waiver of professional and consultancy fees, personnel cost, royalty expenses and reimbursement of expenses that were outstanding in the books as on that date.

26.8 Appointment of Company Secretary

The financial statements of the Company have been authenticated by a whole time company secretary appointed by the Company on 22 May 2015.

26 Notes to accounts *(Continued)*

26.9 Transfer pricing

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation as per independent accountant's report for the year ended 31 March 2014. Based on the above, the Company's management believes that the Company's international trasactions with the related parties post 31 March 2014 continue to be at arms length and that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.

26.10 Prior period comparatives

Up to the previous year, profit on sale of fixed assets of Rs. 71,416 was shown under other income. This has now been netted off with loss on sale of fixed assets under note 25.

Up to the previous year, Compensated absences of Rs 6,383,532 included under Salaries, wages and bonus have now been shown separately under note 23.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/ W-100024

Shabbir Readymadewala
Partner
Membership No: 100060

Mumbai
Date: 13 JUL 2015

For and behalf of Board of Directors of
Aravon Services Private Limited
(Formly known as Aramark India Private Limited)
CIN: U93000MH2007FTC172493

Ranjit Nair
Director
DIN: 07086634

Subrata Nag
Director
DIN: 02234000

Mumbai
Date: 13 JUL 2015

Nupur Singh
Secretary
A36306

CoAchieve Solutions Private Limited
Balance sheet as at 31st March 2015

Particulars	Note	As at 31 March 2015	As at 31 December 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	31,100,000	31,100,000
Reserves and surplus	3	(32,057,774)	(20,702,216)
		(957,774)	10,397,784
Non Current Liabilities			
Long Term Provision	4	595,317	56,866
Current liabilities			
Trade payables	5	1,901,269	65,376
Other current liabilities	6	9,424,171	1,530,518
Short-term provisions	7	42,360	25,203
		11,367,800	1,621,097
TOTAL		**11,005,343**	**12,075,747**
ASSETS			
Non-current assets			
Fixed assets	8		
- Tangible assets		115,557	-
- Intangible assets		-	-
		115,557	-
Long-term loans and advances	9	3,648,155	1,869,506
Current assets			
Trade receivables	10	4,912,036	2,556,185
Cash and bank balances	11	10,059	7,206,856
Short-term loans and advances	12	2,094,286	443,200
Other current asset	13	225,250	-
		7,241,631	10,206,241
TOTAL		**11,005,343**	**12,075,747**
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **Mohan & Chandrasekhar**
Chartered Accountants
Firm's Registration No. 009148S

MOHAN & CHANDRASEKHAR BANGALORE CHARTERED ACCOUNTANTS

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
CoAchieve Solutions Private Limited

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

CoAchieve Solutions Private Limited
Statement of Profit and Loss for the period 1 January 2014 to 31 March 2015

Particulars	Note	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
Revenue			
Revenue from operations	14	17,724,081	10,987,119
Other income	15	30,689	-
		17,754,770	**10,987,119**
Expenses			
Employee benefits expense	16	13,691,031	9,867,454
Finance costs	17	1,200	-
Depreciation and amortisation	11	21,010	-
Other expenses	18	15,397,087	4,416,435
		29,110,328	**14,283,889**
Profit before tax		**(11,355,558)**	**(3,296,770)**
Tax expense:			
- Minimum alternate tax / current tax		-	-
Profit after tax		**(11,355,558)**	**(3,296,770)**
Earning per share (equity shares, par value of Rs 10 each)	25		
- Basic		(3.60)	(1.06)
Significant accounting policies	1		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for Mohan & Chandrasekhar
Chartered Accountants
Firm's Registration No. 009148S

MOHAN & CHANDRASEKHAR * CHARTERED ACCOUNTANTS * BANGALORE

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
CoAchieve Solutions Private Limited

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

CoAchieve Solutions Private Limited
Cash flow statement for the period ended 31 March 2015

Particulars	For the period ended 31 March 2015
Cash flows from operating activities	
Profit before tax	(11,355,558)
Adjustments for:	
Depreciation and amortisation	21,010
Interest expense	1,200
Operating cash flows before working capital changes	**(11,333,348)**
Changes in trade receivables	(2,355,851)
Changes in short-term loans and advances	(1,876,336)
Changes in long-term loans and advances	(1,778,649)
Changes in non-current liabilities and long-term provisions	538,451
Changes in current liabilities and short-term provisions	9,746,703
Cash from / (used in) operations	**(7,059,030)**
Direct taxes paid (net of refunds)	-
Net cash from / (used in) operating activities (A)	**(7,059,030)**
Cash flows from investing activities	
Purchase of fixed assets	(136,567)
Net cash used in investing activities (B)	**(136,567)**
Cash flows from financing activities	
Increase / (decrease) in borrowings	-
Increase in share capital	-
Interest paid	(1,200)
Net cash provided by financing activities (C)	**(1,200)**
Net change in cash and bank balances (A+B+C)	(7,196,797)
Cash and cash equivalents at the beginning of the period / year	7,206,856
Cash and cash equivalents at the end of the period / year (Note 16)	**10,059**
	0

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for Mohan & Chandrasekhar
Chartered Accountants
Firm's Registration No. 009148S

MOHAN & CHANDRASEKHAR * BANGALORE * CHARTERED ACCOUNTANTS

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
CoAchieve Solutions Private Limited

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

Sl. No.	Particulars	As at 31 March 2015	As at 31 December 2013
2	**Share capital**		
	Authorised		
	3,300,000 (Previous year - 3,300,000) Equity shares of par value of Rs 10 each fully paid up	33,000,000	33,000,000
		33,000,000	33,000,000
	Issued, subscribed and paid-up		
	3,110,000 (Previous year: 3,110,000) equity shares of par value of Rs 10 each, fully paid up	31,100,000	31,100,000
		31,100,000	31,100,000

The reconciliation of number of shares outstanding and the amount of share capital is set out below:

Particulars	As at 31 March 2015		As at 31 December 2013	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the commencement of the year	3,110,000	31,100,000	3,110,000	31,100,000
Shares issued during the year	-	-	-	-
At the end of the year	3,110,000	31,100,000	3,110,000	31,100,000

Terms/ Rights attached to Equity Shares:
The Company has only one class of equity shares having a par value of Rs. 10 each, Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assests of the company, after distribution of all prefential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2015		As at 31 December 2013	
(I) Equity shares	Number of shares	% held	Number of shares	% held
Quess Corp Limited	3,110,000	100.00%	3,110,000	100.00%

Sl. No.	Particulars	As at 31 March 2015	As at 31 December 2013
3	**Reserves and surplus**		
	Debit balance in statement of profit and loss - opening balance	(20,702,216)	(17,405,446)
	Add: Profit made during the year	(11,355,558)	(3,296,770)
		(32,057,774)	(20,702,216)
4	**Long Term provision**		
	Provision for Gratuity	595,317	56,866
		595,317	56,866
5	**Trade payables**		
	Trade payables - Others	1,901,269	65,376
		1,901,269	65,376

* The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2014 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period /	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting period / year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest	-	-

Sl. No.	Particulars	As at 31 March 2015	As at 31 December 2013
6	**Other current liabilities**		
	Balances payable to government authorities	492,177	129,460
	Balances with Bank		
	- In Current Account (Overdrawn)	5,552,992	-
	Accrued salaries and benefits	44,436	1,164,676
	Liability for Expenses	3,334,566	236,382
		9,424,171	1,530,518
7	**Short-term provisions**		
	Provision for compensated absences	42,360	25,203
		42,360	25,203

MOHAN & CHANDRA ... BANGALORE ... CHARTERED ACCOUNTANTS

hieve Solutions Private Limited

s to the financial statements for the period ended 31 March 2015 (continued)

Fixed assets

(Amount in Rs

Description	Gross block				Accumulated depreciation and amortisation				Net block	
	As at 1 January 2014	Additions	Deletions	As at 31 March 2015	As at 1 January 2014	Charge for the period	Deletions	As at 31 March 2015	As at 31 March 2015	As at 31 December 201
Tangible assets										
Office Equipment	-	136,567	-	136,567	-	21,010	-	21,010	115,557	-
Total (A)	**-**	**136,567**	**-**	**136,567**	**-**	**21,010**	**-**	**21,010**	**115,557**	**-**
Intangible assets										
Computer software	-	-	-	-	-	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A)+(B)	**-**	**136,567**	**-**	**136,567**	**-**	**21,010**	**-**	**21,010**	**115,557**	**-**

MOHAN & CHANDRASEKHAR * BANGALORE * CHARTERED ACCOUNTANTS

(Amount in Rs)

Sl. No.	Particulars	As at 31 March 2015	As at 31 December 2013
9	**Long-term loans and advances**		
	(Unsecured and considered good)		
	Advance income tax (net of provision for tax)	2,367,036	588,387
	Minimum alternate tax credit entitlement	1,281,119	1,281,119
		3,648,155	**1,869,506**
10	**Trade receivables**		
	(Unsecured)		
	Debts outstanding for a period exceeding six months from the date they are due for payment		
	Considered good	221,353	-
	Considered doubtful	-	2,331,080
		221,353	2,331,080
	Other debts		
	Considered good	4,690,683	2,556,185
	Considered doubtful	-	
		4,690,683	2,556,185
	Less: Provison for doubtful debts	-	2,331,080
		4,912,036	**2,556,185**
11	**Cash and bank balances**		
	Cash and cash equivalents		
	Cash on hand	5,047	7,590
	Balances with banks		
	In current accounts	5,012	7,199,266
		10,059	**7,206,856**
12	**Short-term loans and advances**		
	(Unsecured, considered good)		
	Prepaid expenses	5,500	-
	Rent deposit	550,000	350,000
	Accrued revenue	1,384,667	-
	Other loans and advances		
	- Employee advances	-	93,200
	- Other advances	154,119	-
		2,094,286	**443,200**
13	**Other current asset**		
	Balance receivable from Government authorities	225,250	-
		225,250	-

MOHAN & CHANDRASEKHAR * CHARTERED ACCOUNTANTS * BANGALORE

CoAchieve Solutions Private Limited

Notes to the financial statements for the period ended 31 March 2015 (continued)

Sl. No.	Particulars	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
14	**Revenue from operations**		
	Staffing Services	9,263,841	8,409,334
	Back ground verfication fees	2,626,070	627,905
	Compliance management fees	5,834,170	1,949,880
		17,724,081	**10,987,119**
15	**Other income**		
	Interest income on income tax refund	5,237	-
	Other income	25,452	-
		30,689	**-**
16	**Employee benefits expense**		
	Salaries and wages	12,576,368	9,460,353
	Contribution to provident and other funds	1,105,904	407,101
	Staff welfare expense	8,759	-
		13,691,031	**9,867,454**
17	**Finance costs**		
	Other borrowing costs	1,200	-
		1,200	**-**
18	**Other expenses**		
	Electricity expense	388,272	253,618
	Rent	1,687,535	841,870
	Repairs and maintenance		
	- building & premises	314,303	94,495
	Rates and taxes, excluding taxes on income	2,558,903	99,370
	Legal and professional fees	381,580	266,910
	Contracted Expenses		
	Verification Charges	2,304,511	394,661
	Security Services	6,710,353	-
	Travelling and conveyance	930,900	100,481
	Bad debts written off	-	2,331,080
	Communication expenses	67,659	27,600
	Printing and stationery	23,512	3,571
	Miscellaneous	29,559	2,779
		15,397,087	**4,416,435**

	For the period from 1 January 2014 to 31 March 2015	For the period from 1 April 2013 to 31 December 2013
19 Auditors remuneration (included in legal and professional fees)		
Statutory audit fees	196,630	80,000
Tax audit fees	50,000	20,000
	246,630	100,000

20 Related party transactions

(A) Name of related parties and description of relationship:

1 **Related parties where control exists but with which no transactions have taken place during the period:**

- Enterprises owned by directors and major shareholders ; Net Resource Investments Private Limited

2 **Related parties with whom transactions have taken place during the period:**

- Holding Company — Quess Corp Limited
- Relative of Director — Mrs. Saraah Isaac

3 **Key management personnel**

The Company has also entered into transactions with the key management personnel. The Key management personnel of the company are mentioned below:

Key executive management personnel represented on the board

Ajit Isaac — Director
Subrata Nag — Director

(B) **Related party transaction**
Nature of transaction

Sl. No.	Related Party	Relation	Nature of Transaction	Amount	Closing Balance
1	Quess Corp Limited	Holding Company	Unsecured loan paid to holding company	31,925,471	NIL
2	Mrs. Saraah Isaac	Co Subsidiary	Lease	486,675	(33,075)

Some services, including use of assets have been received from time to time by the company from the holding company at zero cost.

21 Segment reporting

The Board of Directors ("the Board") of the Company reviews the performance of the Company at the enterprise level. The Board relies primarily on results at the enterprise level for assessing performance and making decisions about resource allocation and hence the Management believes that there are no reportable segments on risk and reward-sharing basis.

22 Pursuant to requirment of Section 129 read with Schedule III of the Companies Act 2013, the company is required to prepare and present the Cash Flow Statement for the period in addition to the Balance Sheet and Statement of Profit & Loss. Accordingly the Cash flow statement has been prepared for the first time for period ended 31st March 2015

23 Leases

The Company is obligated under cancellable lease for residential premises, which are renewable at the option of lessor and lessee. Total rental expense under cancellable operating lease entered amounted to Rs 1,405,750/- (previous year: Rs 671,080/-) for the period ended March 31, 2015.

24 Deferred Tax

Deferred Tax Liability (Asset) has not been recognized due to absence of Virtual Certainty that sufficient future taxable profit will be earned.

25 i Earnings per share

The following table sets forth the computation of basic earnings per share	Current Year	Previous Year
Net profit for the period / year attributable to equity shareholeres (Rs)	(11,355,558)	(3,296,770)
Weighted average number of shares used in computing basic earnings per share	3,110,000	3,110,000
Basic earnings per share	(3.60)	(1.06)
Weighted average number of shares used in computing diluted earnings per share	3,110,000	3,110,000
Diluted earnings per share	(3.60)	(1.06)

ii The company has changed its financial year to end as at 31st March. Accordingly, the Statement of Profit & Loss is for the fifteen month period ended 31st March 2015. This is done to comply with the provisions of Section 2(41) of the Companies Act, 2013. The previous Profit & Loss statement was for a period of 9 months ended 31st Dec 2013.

26 Employee Benefits

i Gratuity

The Company has accounted the cost of Gratuity based on the Actuarial Valuation Report as at 31st March, 2015 and has estimated a Gratuity liability of Rs 5,95,317 (Period ended 31st Dec, 2013 Rs. 56,866) under Projected Unit Credit Method as per AS 15 (R). During the year, the Company has accounted in the incremental liability as compared to liability accounted in previous year in the Statement of Profit and Loss for the year.

Key assumptions used in the valuation of Gratuity Liability are as given below:

Particulars	For the year ended 31st March, 2015
Discount rate as of 31st March, 2015	7.90%
Estimated rate of return on Plan assets	NIL
Salary Increase	10.00%
Retirement Age	58
Attrition Rate	10.00%
Mortality Rate	LIC (2006-08) published table of mortality rates

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, increments and other relevant factors such as supply and demand in the employment market.

ii Leave Encashment

The Company has accounted the cost of Leave Encashment based on the Actuarial Valuation Report obtained as at 31st March, 2015 and has estimated a Leave Encashment liability of Rs 42,360 (Period ended 31st Dec, 2013 Rs. 25,203) under Projected Unit Credit Method as per AS 15 (R). During the year, the Company has accounted in the incremental liability as compared to liability accounted in previous year in the Statement of Profit and Loss for the year.

BANGALORE
CHARTERED ACCOUNTANTS

Key assumptions used in the valuation of Leave Encashment Liability are as given below:

Particulars	For the year ended 31st March, 2015
Discount rate as of 31st March, 2015	7.90%
Estimated rate of return on Plan assets	NIL
Salary Increase	10.00%
Retirement Age	58
Attrition Rate	10.00%
Mortality Rate	LIC (2006-08) published table of mortality rates

As per our report of even date attached

for Mohan & Chandrasekhar
Chartered Accountants
Firm's Registration No. [illegible]148S

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of

CoAchieve Solutions Private Limited

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

COACHIEVE SOLUTIONS PRIVATE LIMITED

Significant accounting policies

COACHIEVE SOLUTION PRIVATE LIMITED, ('the Company') is a Company incorporated under the provisions of the Companies Act, 1956 ('the Act'). The Company is engaged in the business of Human Resources and related services.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Act read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, other pronouncements of the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act 1956, to the extent applicable. The financial statements are presented in Indian rupees and rounded off to nearest rupee

1.2 Income / Expenditure

The financial statements are prepared on the mercantile system of accounting. In the preparation of these financial statements the company has materially complied with and followed the accounting standards prescribed by The institute of chartered accountants of India and the provisions of the Companies Act 2013. There is no material departure from the same. The accounts have been prepared as a going concern basis.

1.3 Retirement Benefits

Provision for Gratuity and compensated absences are accrued as at the year end, on the basis of an actuarial valuation at the balance sheet date. Contributions payable to the recognized provident fund, which is a defined a contribution schemes, are charged to the statement of profit and loss.

1.4 Sundry Debtors

Balances in the accounts of the sundry debtor parties are subject to confirmation by the parties but considered good for recovery by the management. Other current assets are unsecured, but considered good and are said to realize the same value as shown in the accounts, if were to be realized as a going concern

1.5 Inventories

There is no closing stock

1.6 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired under finance lease are capitalized at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

1.7 Fixed assets, Intangible Assets

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the date of the balance sheet. Direct costs related to acquisition/ installations are capitalised until assets are ready for use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Acquired intangible assets wherein identifiable, control and future economic benefits are established are capitalized. Intangible assets are stated at the consideration paid less accumulated amortization.

1.8 Interest Income

Interest income is recognized using the time-proportion method, based on underlying interest rates.

1.9 Depreciation

Depreciation is provided on straight-line method. The rates of depreciation prescribed in Schedule II of Co Act 2013. If the management's estimate of useful life of a fixed asset at the time of acquisition of the fixed asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of useful life/remaining useful life. Pursuant to this policy, depreciation has been provided on various categories of fixed assets based on estimated useful life as mentioned below which is higher than the corresponding rates prescribed in Schedule II.

Asset description	**Useful life**
Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	3 years
Vehicles	3 years
Office equipment	5 years
Software	3 years

Depreciation is provided on a proportionate basis for all assets purchased and sold during the period. Individual assets costing Rs 5,000 or less are depreciated at the rate of 100%.

Leasehold improvements are amortised over the lease term or estimated useful life, whichever is lower. Assets acquired on finance leases are depreciated over the lease term or the useful life, whichever is shorter.

1.10 Provisions and Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow is remote, no provision or disclosure is made.

Provision for onerous contracts, i.e., contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefit expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefit will be required to settle a present obligation as a result of an obligation event, based on a reliable estimate of such obligation.

1.11 Taxation

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period of change. Deferred tax assets on the timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

MOHAN CHANDRASEKHAR BANGALORE CHARTERED ACCOUNTANTS

Financial Statements

QUESS CORP (USA), INC.

(FORMALLY KNOWN AS MAGNA INFOTECH, INC.)

For the year ended March 31, 2015

QUESS CORP (USA), INC.
(FORMALLY KNOWN AS MAGNA INFOTECH, INC.)
FINANCIAL STATEMENTS

INDEX

LIGGETT, VOGT & WEBB P.A.
CERTIFIED PUBLIC ACCOUNTANTS

432 Park Avenue South, 10th Floor
New York, NY 10016 / (212) 481-3490

1500 Gateway Boulevard, Suite 202
Boynton Beach, FL 33426 / (561) 752-1721

Report of Independent Certified Public Accounting Firm

Board of Directors
Quess Corp (USA) Inc.
(formally known as Magna InfoTech, Inc.)

Report on the Financial Statements
We have audited the accompanying balance sheet of Quess Corp (USA) Inc. ("the Company") as of March 31, 2015, and the related statements of operations and stockholder's deficit and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Quess Corp (USA) Inc. as of March 31, 2015 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying financial statements have been prepared assuming that the Company will continue as a going conern. As discussed in Note 2 to the financial statements, the Company is a holding company with limited operations and is dependent upon shareholder funding to continue as a going concern. The financial statements do not include any adjustments that might result from the countcome of this uncertainy

Liggett Vogt & Webb, P.A.

New York, New York
May 21, 2015

QUESS CORP (USA), INC.
BALANCE SHEET
AS OF MARCH 31, 2015

Assets		
Current assets:		
Cash and cash eqivalents	$	5,075
Due fom affiliates		95,000
Total current assets		100,075
Long term assets:		
Investment in MFX Holdings, Inc.		49
Other assets		1,200
Total assets	$	101,324
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable	$	1,752
Total current liabilites		1,752
Stockholder's equity		
Common stock, 200 shares authorized, 1 share issued and outstanding, no par value		100,000
Accumulated defecit		(428)
Total stockholder's equity		99,572
Total liabilities and stockholder's equity	$	101,324

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2015

Revenues	$ -
Operating expenses	
Professional fees	428
Total operating expenses	428
Loss before income taxes	(428)
Provision for income taxes	-
Net loss	$ (428)

See the accompanying notes to the consolidated financial statements.

QUESS CORP (USA), INC.
STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED MARCH 31, 2015

	Common Stock	Accumulated Deficit	Total
Beginning balance, April 1, 2014	$ -	$ -	$ -
Issuance of common stock	100,000	-	100,000
Net loss	-	(428)	(428)
Ending balance, March 31, 2015	$ 100,000	$ (428)	$ 99,572

See the accompanying notes to the financial statements.

QUESS CORP (USA), INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENED MARCH 31, 2015

Cash flows from operating activities:		
Net loss	$	(428)
Adjustment to reconcile net loss to net cash provided by operating activities:		
Increase in other assets		(1,200)
Increase in accounts payable		1,752
Net cash provided by operating activities		124
Cash flows from investing activities:		
Invesment in MFX Holdings		(49)
Loan to affiliate		(95,000)
Net cash used in investing activities		(95,049)
Cash flows from financing activities:		
Proceeds from Issuance of common stock		100,000
Net cash provided by financing activities		100,000
Net increase in cash and cash equivalents		5,075
Cash and cash equivalents, beginning		-
Cash and cash equivalents, ending	$	5,075
Cash paid for income taxes	$	-
Cash paid for interest	$	-

See the accompanying notes to the consolidated financial statements.

QUESS CORP (USA), INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements follows.

Business and organization

Magna InfoTech, Inc. ("the Company"), a Delaware corporation, was incorporated on November 19, 2013. The Company is wholly owned by Magna Infotech Ltd, India ("the Parent"). On March 23, 2015, the Company changed its name to Quess Corp (USA), Inc. The Company is currently a holding company which owns fortynine percent (49%) of MFX Holdings, Inc.

Use of estimates

The preparation of the accompanying financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about future events that affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. These estimates and assumptions are based on management's best estimates and judgment. Management regularly evaluates its estimates and assumptions using historical experience and other factors; however, actual results could differ significantly from these estimates.

Cash Equivalents

For purposes of the Statements of Cash Flows, the Company considers all highly liquid investments purchased with an original maturity date of three months or less to be cash equivalents.

Investments in Nonconsolidated Affiliates

In general, investments in which the Company owns 20 percent to 50 percent of an entity's equity interest or otherwise exercises significant influence over the investee are accounted for under the equity method. The Company reviews the value of equity method investments and records impairment charges in the statement of operations for any decline in value that is determined to be other-than-temporary.

Income Taxes

The Company follows Accounting Standards Codification subtopic 740-10, Income Taxes ("ASC 740-10") for recording the provision for income taxes. Deferred tax assets and liabilities are computed based upon the difference between the financial statement and income tax basis of assets and liabilities using the enacted marginal tax rate applicable when the related asset or liability is expected to be realized or settled. Deferred income tax expenses or benefits are based on the changes in the asset or liability during each period. If available evidence suggests that it is more likely than not that some portion or all of the deferred tax assets will not be realized, a valuation allowance is required to reduce the deferred tax assets to the amount that is more likely than not to be realized. Future changes in such valuation allowance are included in the provision for deferred income taxes in the period of change. Deferred income taxes may arise from temporary differences resulting from income and expense items reported for financial accounting and tax purposes in different periods.

NOTE 2 –LIQUIDTIY

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company is a holding company with limited operations and is dependent upon shareholder funding to continue as a going concern. The financial statements do not include any adjustments that might result from the countcome of this uncertainy

NOTE 3 – RELATED PARTY TRANSACTIONS

During the year ended March 31, 2015, the Company loaned $95,000 to Magna Ikya InfoTech, an affiliate of the Parent. The loan receivable is due upon demand and is non-interest bearing.

NOTE 4 – STOCKHOLDER EQUITY

The Company has 200 shares authorized common shares at no par value. As of March 31, 2015, the Company has one (1) share of common stock issued and outstanding.

NOTE 5 – SUBSEQUENT EVENTS

The Company has evaluated events and transactions for potential recognition or disclosure through May 21, 2015, which is the date the financial statements were available to be issued.

MFX Infotech Pvt Ltd
Balance Sheet as at 31st March 2015

Particulars	Note	As at 31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2	10,000,000
Reserves and surplus	3	5,591,819
		15,591,819
Non Current Liabilities		
Long Term Provisions	4	1,270,763
Current liabilities		
Short-term borrowings	5	24,059,638
Trade payables	6	2,231,944
Other current liabilities	7	1,586,737
Short-term provisions	8	4,694,719
		32,573,038
TOTAL		**49,435,621**
ASSETS		
Non-current assets		
Fixed assets	9	
- Tangible assets		2,212,865
- Intangible assets		-
		2,212,865
Deferred Tax Asset (Net)		660,000
Current assets		
Trade receivables	10	14,854,192
Cash and bank balances	11	19,359,173
Short-term loans and advances	12	10,561,992
Other Current Assets	13	1,787,399
		46,562,756
TOTAL		**49,435,621**
Significant accounting policies	1	

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **Mohan & Chandrasekhar**
Chartered Accountants
Firm's Registration No. 009148S5

CHANDRASEKHAR BANGALORE CHARTERED ACCOUNTANTS

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
MFX Infotech Pvt Ltd

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

MFX Infotech Pvt Ltd

Statement of profit and loss for the period ended 31st March 2015

Particulars	Note	for the period ended March 31, 2015
Revenue		
Revenue from operations	14	58,972,743
Other income	15	203,328
		59,176,071
Expenses		
Employee benefits expense	16	34,506,884
Finance costs	17	540,377
Depreciation and amortisation	11	193,642
Other expenses	18	15,503,349
		50,744,252
Profit before tax		**8,431,819**
Tax expense:		
- Current tax		3,500,000
- Deferred tax		(660,000)
Profit after tax		**5,591,819**
Earning per share (equity shares, par value of Rs 10 each)		
- Basic	23	5.59
- Diluted	23	5.59
Significant accounting policies	1	

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for Mohan & Chandrasekhar
Chartered Accountants
Firm's Registration No. 0091485S

CHANDRASEKHAR BANGALORE CHARTERED ACCOUNTANTS

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
MFX Infotech Pvt Ltd

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

MFX Infotech Pvt Ltd
Cash flow statement for the period ended 31st March 2015

Particulars	For the period ended 31 March 2015
Cash flows from operating activities	
Profit before tax	8,431,819
Adjustments for:	
Depreciation and amortisation	193,642
Interest expense	540,377
Operating cash flows before working capital changes	**9,165,838**
Changes in trade receivables	(14,854,192)
Changes in short-term loans and advances	(12,349,391)
Changes in trade payables	2,231,944
Changes in non-current liabilities and long-term provisions	1,270,763
Changes in current liabilities and short-term provisions	2,781,456
Cash from / (used in) operations	**(11,753,581)**
Direct taxes paid (net of refunds)	-
Net cash from / (used in) operating activities (A)	**(11,753,581)**
Cash flows from investing activities	
Purchase of fixed assets	(2,406,507)
Net cash used in investing activities (B)	**(2,406,507)**
Cash flows from financing activities	
Increase / (decrease) in borrowings	24,059,638
Increase in share capital	10,000,000
Interest paid	(540,377)
Net cash provided by financing activities (C)	**33,519,261**
Net change in cash and bank balances (A+B+C)	19,359,173
Cash and cash equivalents at the beginning of the period / year	-
Cash and cash equivalents at the end of the period / year (Note 16)	**19,359,173**
	-

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for Mohan & Chandrasekhar
Chartered Accountants
Firm's Registration No. [illegible]

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
MFX Infotech Pvt Ltd

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

MFX Infotech Pvt Ltd
Notes to the Balance Sheet as at 31 March 2015

		As at 31 March 2015
2	**Share capital**	
	Authorised	
	20,00,000 Equity shares of par value of Rs 10 each fully paid up	20,000,000
		20,000,000
	Issued, subscribed and paid-up	
	10,00,000 equity shares of par value of Rs 10 each, fully paid up	10,000,000
		10,000,000

The reconciliation of number of shares outstanding and the amount of share capital is set out below:

Particulars	As at 31 March 2015	
	Number of shares	Amount
Equity shares		
At the commencement of the year	-	-
Shares issued during the year	1,000,000	10,000,000
At the end of the year	1,000,000	10,000,000

Shares held by holding company

	As at 31 March 2015	
(i) Equity shares	Number of shares	Amount
Quess Corp Limited	999,999	9,999,990

Details of shareholders holding more than 5% shares in the Company

(i) Equity shares	Number of shares	% held
Quess Corp Limited	999,999	99.99%

		As at 31 March 2015
3	**Reserves and surplus**	
	Opening Balance	-
	Add: Profit made during the year	5,591,819
		5,591,819
4	**Long Term Provision**	
	Provision for gratuity	1,270,763
5	**Short-term borrowings**	
	Other loans and advances	
	Secured:	
	Woking Capital Loan (Packing Credit)	24,059,638
		24,059,638

Packing Credit in Foreign Currency (PCFC) from Yes Bank Limited
The loan has been secured by hypothecation of all the fixed assets and current assets of the company.

6	**Trade payables**	
	Trade payables - Others	2,231,944
		2,231,944

* The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting period /	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the	-
The amount of interest accrued and remaining unpaid at the end of the accounting period / year; and	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest	-

7	**Other current liabilities**	
	Balances payable to government authorities	1,070,068
	Liability for Expenses	373,245
	Accrued salaries and benefits	143,424
		1,586,737
8	**Short-term provisions**	
	Provision for Income Tax	3,750,000
	Provision for compensated absences	944,719
		4,694,719

CHANDRASEKHAR & ... BANGALORE CHARTERED ACCOUNTANTS

MFX Infotech Pvt Ltd

Notes to the Balance Sheet as at 31 March 2015

9 Fixed assets

(Amount in Rs)

Description	Gross block				Accumulated depreciation and amortisation				Net block	
	As at 1 April 2014	Additions	Deletions	As at 31 March 2015	As at 1 April 2014	Charge for the period	Deletions	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible assets										
Office equipment	-	2,008,701	-	2,008,701	-	162,007	-	162,007	1,846,694	-
Computer equipment	-	397,806	-	397,806	-	31,635	-	31,635	366,171	-
Total (A)	-	**2,406,507**	-	**2,406,507**	-	**193,642**	-	**193,642**	**2,212,865**	-
Intangible assets										
Computer software	-	-	-	-	-	-	-	-	-	-
Total (B)	-	-	-	-	-	-	-	-	-	-
Total (A)+(B)	-	**2,406,507**	-	**2,406,507**	-	**193,642**	-	**193,642**	**2,212,865**	-

5 of 13

CHARTERED ACCOUNTANTS

MFX Infotech Pvt Ltd

Notes to the Balance Sheet as at 31 March 2015

		(Amount in Rs) As at 31 March 2015
10	**Trade receivables**	
	(Unsecured)	
	Debts outstanding for a period exceeding six months from the date they are due for payment	
	Considered good	-
	Considered doubtful	-
		-
	Other debts	
	Considered good	14,854,192
	Considered doubtful	-
		14,854,192
		14,854,192
11	**Cash and bank balances**	
	Cash and cash equivalents	
	Cash on hand	-
	Balances with banks	
	In current accounts	19,359,173
		19,359,173
12	**Short-term loans and advances**	
	(Unsecured, considered good)	
	Prepaid expenses	527,641
	Unbilled Revenue	9,749,595
	Other loans and advances	
	- Travel advances	251,284
	- Other advances	33,472
		10,561,992
13	**Other Current Assets**	
	Balance receivable from government authorities	1,787,399
		1,787,399

CHARTERED ACCOUNTANTS

MFX Infotech Pvt Ltd

Notes to the Statement of Profit & Loss for the period ended 31 March 2015

		for the period ended March 31, 2015
14	**Revenue from operations**	
	Technology Services	58,972,743
		58,972,743
15	**Other income**	
	Forex Gain	203,328
		203,328
16	**Employee benefits expense**	
	Salaries and wages	31,226,525
	Contribution to provident and other funds	967,737
	Staff welfare expense	97,140
	Gratuity	1,270,763
	Compensated Absences	944,719
		34,506,884
17	**Finance costs**	
	Interest expense	20,682
	Other borrowing costs	269,695
	Interest on Income Tax	250,000
		540,377
18	**Other expenses**	
	Rent	12,282,838
	Repairs and maintenance	
	- buildings	15,480
	Rates and taxes, excluding taxes on income	343,842
	Legal and professional fees	603,687
	Travelling and conveyance	880,877
	Communication expenses	1,213,721
	Printing and stationery	13,743
	Miscellaneous	149,161
		15,503,349

BANGALORE CHARTERED ACCOUNTANTS

MFX Infotech Pvt Ltd
Notes to the Financial Statements for the period ended 31 March 2015

19 The company was incorporated on 20th June 2014 and is engaged in providing technology services. This is the first financial statements of the company.

20 The Company is not a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act.

21

As per Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify the Micro and Small suppliers and pay interest to them on over dues beyond the specified period irrespective of the terms agreed with the suppliers. The Company has initiated the process of identification of such suppliers. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this act is not expected to be material. In view of the non availability of full information about all the covered parties, prescribed disclosures under Section 22 of the said Act have not been considered necessary at this stage.

22 Auditors remuneration (Included in legal and professional fees)

	For the period ended 31 March 2015
Statutory audit fees	123,596
Tax Audit Fees	50,000
	173,596

23 Earnings per share

The following table sets forth the computation of basic and diluted earning per share.	
Net profit for the period / year attributed to equity shareholder (Rs)	5,591,819
Weighted average number of shares used in computing basic earnings per share	1,000,000
Basic earnings per share (Rs)	5.59
Weighted average number of shares used in computing diluted earnings per share	1,000,000
Diluted earnings per share (Rs)	5.59

24 Related party transactions

(A) Name of related parties and description of relationship:

1 Related parties where control exists but with which no transactions have taken place during the period:

- Enterprises owned by directors and major shareholders — Net Resource Investments Private Limited

2 Related parties with whom transactions have taken place during the period:

- Holding Company — Quess Corp Limited
- Co Subsidiary — MFXchange US INC
- Co Subsidiary — Hofincons Infotech & Industrial Services Pvt Ltd

3 Key management personnel
The Company has also entered into transactions with the key management personnel. The Key management personnel of the company are mentioned below:

Key executive management personnel represented on the board

Ajit Isaac — Director
Subrata Nag — Director

(B) Related party transaction

Sl. No.	Related Party	Relation	Nature of Transaction	Amount	Closing Balance
1	MFXchange US INC	Co Subsidiary	Service Revenue	49,253,130	
2	MFXchange US INC	Co Subsidiary	Accounts Receivable		14,854,192
3	Quess Corp Limited	Holding Company	Unsecured loan paid to holding company	32,600,000	NIL
4	Hofincons Infotech & Industrial Services Pvt Ltd	Co Subsidiary	Rendering of services by co subsidiaries	2,246,637	
5	Hofincons Infotech & Industrial Services Pvt Ltd	Co Subsidiary	Accounts Payable		2,246,637

25

The amount of Rs. 17.87 lacs under Other current assets, represents refund of service tax. The company is in the process of lodging the refund claim in this regard.

26 Exceptional Income/ Expenses
During the year, the company has not recognized any income or expenses exceptional in nature.

27 Earnings in foreign currency

	For the period ended31 March 2015
Income from export of Technology services	49,223,148

28 Expenditures in foreign currency

	For the period ended31 March 2015
Travel Expenditure	31,066

29 The loan has been secured by hypothecation of all the fixed assets and current assets of the company.

30 Transfer Pricing

During the year, the company derived Revenue (Rs. 568.72 lakhs) from services, rendered to its co subsidiary company MFXchange US INC. The revenue is recognized on the basis of a services agreement with the co subsidiary.

The Finance Act 2001 has introduced, with effect from assessment year 2002-03 (effective April 1, 2001) Transfer Pricing regulations for computing the income from 'International transactions' between 'associated enterprises' on an 'arm's length' basis. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

For the tax year ending March 31, 2015, the company has not undertaken a study to comply with transfer pricing regulations for which the prescribed certificate of the accountant will be obtained. However, the Company's management is of the opinion that the international transactions with related parties are at arm's length and that the Company's Management believes that the transfer pricing legislation will not have any impact on the financial statements for the year ended 31st March 2015, particularly on the amount of tax expense and that of the provision for taxation.

31 Employee Benefits

i Gratuity
The Company has accounted the cost of Gratuity based on the Actuarial Valuation Report obtained as at 31st March, 2015 and has estimated a Gratuity liability of Rs 12,70,763 under Projected Unit Credit Method as per AS 15 (R). During the year, the Company has accounted in the incremental liability as compared to liability accounted in previous year in the Statement of Profit and Loss for the year.

MOHAN & CHANDRASEKHAR * BANGALORE

Key assumptions used in the valuation of Gratuity Liability are as given below:

Particulars	For the year ended 31st March, 2015
Discount rate as of 31st March, 2015	7.90%
Estimated rate of return on Plan assets	NIL
Salary Increase	6.00%
Retirement Age	60
Attrition Rate	10.00%
Mortality Rate	LIC (2006-08) published table of mortality rates

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion, increments and other relevant factors such as supply and demand in the

ii Leave Encashment

The Company has accounted the cost of Leave Encashment based on the Actuarial Valuation Report obtained as at 31st March, 2015 and has estimated a Leave Encashment liability of Rs. 944,719 under Projected Unit Credit Method as per AS 15 (R). During the year, the Company has accounted in the incremental liability as compared to liability accounted in previous year in the Statement of Profit and Loss for the year.

Key assumptions used in the valuation of Leave Encashment Liability are as given below:

Particulars	For the year ended 31st
Discount rate as of 31st March, 2015	7.90%
Estimated rate of return on Plan assets	NIL
Salary Increase	6.00%
Retirement Age	60
Attrition Rate	10.00%
Mortality Rate	LIC (2006-08) published

As per our report of even date attached
for Mohan & Chandrasekhar
Chartered Accountants
Firm's Registration No. 009148S

Chandrasekhar Kutty
Partner
Membership No. 209270

Place: Bangalore
Date:

for and on behalf of Board of Directors of
MFX Infotech Pvt Ltd

Ajit Isaac
Director

Subrata Nag
Director

Place: Bangalore
Date:

MFX India Private Limited
Notes to the financial statements for the period ended 31 March 2015

Company overview

MFX INDIA PRIVATE LIMITED('the Company')is a Company incorporated under the provisions of the Companies Act, 2013('the Act') on20thJune2014 originally as a 'Private Limited Company'.The Company has its registered office in Bangalore, India.The Company is engaged in the business of Software Support Services.Quess Corp Limited (Formally IKYA Human Capital Solutions Limited) has become the parent company and Fairfax Financial Holdings Limited has become the ultimate holding company.

1 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

1.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards referred to in sub-section (3C) of Section 211 of the Act read with the general circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, other pronouncements of the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Companies Act 1956, to the extent applicable.The financial statements are presented in Indian rupees and rounded off to nearest rupee.

1.2 Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles in India requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. The estimates and assumption used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from those estimates. Actual results could differ from those estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 Current and non – current classification

All assets and liabilities are classified into current and non – current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be realized within 12 months after the reporting date; or
d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non – current financial assets.

All other assets are classified as non – current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) It is expected to be settled in the Company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be settled within 12 months after the reporting date; or

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Significant accounting policies (continued)

d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non – current financial liabilities.
All other liabilities are classified as non – current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realizations in cash or cash equivalents.

1.4 Revenue recognition

The Company generates revenue from rendering of software support services to client.

1.5 Fixed assets, intangible assets

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation up to the date of the balance sheet. Direct costs related to acquisition/ installations arecapitalised until assets are ready for use. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Acquired intangible assets wherein identifiable, control and future economic benefits are established are capitalized. Intangible assets are stated at the consideration paid less accumulated amortization.

1.6 Interest income

Interest income is recognized using the time-proportion method, based on underlying interest rates.

1.7 Depreciation

Depreciation is provided on straight-line method. The rates of depreciation prescribed in Schedule II of Co Act 2013. If the management's estimate of useful life of a fixed asset at the time of acquisition of the fixed asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on management's estimate of useful life/remaining useful life. Pursuant to this policy, depreciation has been provided on various categories of fixed assets based on estimated useful life as mentioned below which is higher than the corresponding rates prescribed in Schedule II.

Asset description	Useful life
Computer equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	3 years
Vehicles	3 years
Office equipment	5 years
Software	3 years

Depreciation is provided on a proportionate basis for all assets purchased and sold during the period. Individual assets costing Rs 5,000 or less are depreciated at the rate of 100%.

MOHAN & CHANDRASEKHAR ★ BANGALORE ★ CHARTERED ACCOUNTANTS

Significant accounting policies (continued)

Leasehold improvements are amortised over the lease term or estimated useful life, whichever is lower.Assets acquired on finance leases are depreciated over the lease term or the useful life, whichever is shorter.

1.8 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognized.

1.9 Investments

Long term investments are valued at cost less any other than temporary diminution in value, determined on the specific identification basis.

1.10 Employee benefits

Gratuity and compensated absences which are defined benefits schemes are accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary.

Contributions payable to the recognized provident fund, which is a defined a contribution schemes, are charged to the statement of profit and loss.

1.11 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases.Assets acquired under finance lease are capitalized at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases under which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease payments are charged to the statement of profit and loss on a straight line basis over the lease term.

1.12 Foreign exchange transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the statement of profit and loss of the period.

1.13 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow is remote, no provision or disclosure is made.

Significant accounting policies (continued)

Provision for onerous contracts, i.e., contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefit expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefit will be required to settle a present obligation as a result of an obligation event, based on a reliable estimate of such obligation.

1.14 Earnings per share

In determining the earning per share, the net profit after tax is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

1.15 Taxation

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of the Company. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period of change. Deferred tax assets on the timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date. The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

In accordance with the provisions of Section 115JAA of the Income-tax Act, 1961, the Company is allowed to avail credit equal to the excess of Minimum Alternate Tax (MAT) over normal income tax for the assessment year for which MAT is paid. MAT credit so determined can be carried forward for set-off for ten succeeding assessment years from the year in which such credit becomes allowable. MAT credit can be set-off only in the year in which the Company is liable to pay tax as per the normal provisions of the Income-tax Act, 1961 and such tax is in excess of MAT for that year. Accordingly, MAT credit entitlement is recognized only to the extent there is convincing evidence that the Company will pay normal tax during the specified period.

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