

**EAAA LLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**MARCH 31, 2019**

**EAAA LLC  
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019  
CONTENTS**

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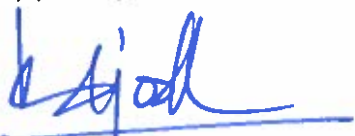
	<b>Pages</b>
CORPORATE DATA	1
CORPORATE GOVERNANCE REPORT	2 - 3
DIRECTORS' REPORT	4
CERTIFICATE FROM THE SECRETARY	5
INDEPENDENT AUDITORS' REPORT	6 - 9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY	12
STATEMENT OF CASH FLOWS	13
NOTES TO THE FINANCIAL STATEMENTS	14 - 29

		<b>Appointed on</b>	<b>Resigned on</b>
<b>DIRECTORS</b>	Mr. Subhas Chandra Lallah	11.09.09	-
	Mr. Girendre Mannish H. Ajodah	10.02.11	-
	Mr. Udit Sureka	05.04.13	24.10.18
	Mr. Ashish Phiroze Pithawala	08.02.18	-
	Mr. Vivek Sharma	15.11.18	-
<b>SECRETARY</b>	Citco (Mauritius) Limited 4th Floor, Tower A 1 Cybercity Ebène Mauritius		
<b>REGISTERED OFFICE</b>	C/o Citco (Mauritius) Limited 4th Floor, Tower A 1 Cybercity Ebène Mauritius		
<b>AUDITORS</b>	KPMG KPMG Centre 31, Cybercity Ebène Mauritius		
<b>BANKER</b>	Standard Chartered Bank (Mauritius) Limited 6th Floor, Standard Chartered Tower, CyberCity Ebène 72201 Mauritius		

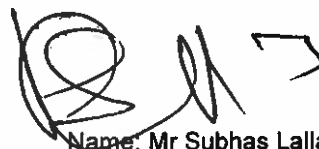
**STATEMENT OF COMPLIANCE**

Name of Company: EAAA LLC (the "Company")  
Reporting Period: April 1, 2018 to March 31, 2019

We, the Directors of the Company, confirm to the best of our knowledge that the Company has complied with all of its obligations and requirements under the National Code of Corporate Governance for Mauritius (2016) ("Code").



Name: Mr Mannish Ajodah



Name: Mr Subhas Lallah

Date: 28 JUN 2019

The Board of Directors (the "Board") of EAAA LLC (the "Company") conducts the business of the Company with the highest standards of discipline, transparency, accountability and fairness, which are all key attributes of good corporate governance. The Board confirms that the Company has carried out its business activities in compliance with the laws of Mauritius and, taking into consideration the size of the Company and the nature of the business activities, complies with the principles of the National Code of Corporate Governance for Mauritius (the "Code").

#### **Principle 1: Governance Structure**

##### **General information**

The company was incorporated on 25<sup>th</sup> of May 2009 in the Republic of Mauritius as a private company limited by shares. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission. It also holds an Investment Adviser License (Unrestricted) under Section 30 of the Securities Act 2005.

Its main activity is to provide investment advisory services.

The Board is collectively responsible for the long-term success of the Company and for directing the affairs of the Company within a framework consisting of applicable laws and regulations, its constitution and best governance practices.

##### **Role of the Board**

The Board of directors operates a framework designed to ensure that high standards of corporate governance are applied at all times. The Board members possess relevant qualifications and experience, and have sufficient knowledge of the financial sector in general. Every director has drawn from his/her professional background and expertise in positively contributing to the Board's activities. The Board exercises its duties to act in good faith and in the best interest of the Company in line with the Companies Act and other laws and regulations. Additionally, the Board has adopted a Code of Business Conduct and Code of Ethics.

It is to be noted that, as per the Code, all organisations should be headed by an effective Board. Responsibilities and accountabilities within the organisation should be clearly identified. The Board takes its fiduciary responsibilities seriously. Each Director is appointed with the understanding of the amount of time and care that they will need to devote to the Board and to the organisation in order for it to prosper. The Board has approved all the key guiding documents and policies and affirms each key governance role.

Due to the simple structure and the limited transactions of the Company, the Board uses the Constitution of the Company as its board charter.

The Board assumes responsibility for leading and controlling the organisation, meeting all legal and regulatory requirements.

**Principle 2: The Structure of the Board and its committee**

The Board is a unitary Board and is composed of directors coming from different jurisdictions. Every director has drawn from his professional background and expertise in positively contributing to the Board's activities.

The Board considers that its current size and composition are appropriate for the type of activity in which the Company is engaged and for the effective discharge of the Board's responsibilities. The Board uses the Constitution of the Company as its board charter.

Due to the simple structure and limited transactions of the Company, no sub-committees (Audit Committee, Corporate Governance Committee, Board Risk Committee, Remuneration Committee, or Nomination Committee) have been set up. The Board of directors collectively considers the measures in respect of the Code of Corporate Governance issues and this is further strengthened by the presence of Independent intermediaries like auditors as additional safeguards.

The Board currently comprises of 4 directors out of which 2 are independent directors who exercise independence of mind and judgment.

The Board has appropriate balance of skills, experience, independence and knowledge of the Company which enables it to perform its respective duties and responsibilities effectively. The Board has also appointed Citco (Mauritius) Limited as its Company Secretary.

The shareholder of the Company will take adequate measure in the future to ensure that the Board of the directors of the Company is properly balanced from a gender perspective.

The main objects and functions of the Board are to:

- determine, agree and develop the Company's general policy on corporate governance in accordance with the applicable Code of Corporate Governance;
- advise and make recommendations to the Board on all aspects of corporate governance and new Board appointments as and when applicable;
- prepare the Corporate Governance Report; and
- review the terms and conditions of all service agreements between the Company and service providers.

The Board is satisfied that they have discharged their responsibilities for the year in respect of Corporate Governance. During the year under review, the Board met once as follows.

**Directors**

<b>Date of board meetings</b>	<b>Name of Director</b>	<b>Attendance at board meeting</b>
25 <sup>th</sup> October 2018	Mr. Ashish Phiroze Pithawala (executive director) Mr. Vivek Sharma (executive director) Mr. Subhas Chandra Lallah (independent director) Mr. Girendre Mannish Hanoomanjee Ajodah (independent director)	Messrs Ashish Phiroze Pithawala, Girendre Mannish Hanoomanjee Ajodah and Subhas Lallah were present. Mrs. Joevana Panjanaden and Mrs. Sharine Aumjeedally duly representing Citco (Mauritius) Limited as Company Secretary and Mrs Smita Atchanah representing Edelweiss Mauritius Office were also present at the Board meeting.

The Board schedules meetings to:

1. Examine all statutory matters;
2. Approve the statutory financial statements and reviews important accounting issues;
3. Review the Company's performance and Investment update;
4. Consider strategic matters for the Company;
5. Ensure compliance of the Company with the legislations; and
6. Take note of changes in the legislations which may affect the Company.

The Board is responsible for directing the affairs of the Company in the best interests of its shareholder, in conformity with legal and regulatory frameworks, and consistent with its constitution and best governance practices. Further to the above, all decision and policy making for the Company are taken by the directors by consensus.

**Principle 3: Director Appointment Procedures**

The directors of the Company are appointed in line with the Constitution and the appointment, resignation and re-election of the directors are considered at the annual meeting of the shareholder. The Board members of the Company possess relevant qualification and experience, and sufficient knowledge of the financial sector in general and the global business in particular.

Prior to appointing a person as director on the Board of the Company, Citco (Mauritius) Limited, the Company Secretary, in pursuance with its dynamic internal compliance policies and procedures and the Financial Intelligence and Anti-Money Laundering Act 2002 of Mauritius and the Code on Prevention of Money Laundering and Terrorist Financing issued by the FSC, carries out a robust customer due diligence (compliance) check (through general internet verification and using 'World-Check' database) to determine whether such person is fit and proper to be appointed for such a position.

The Company Secretary holds on records all due diligence documents on its directors to ensure that they have requisite skills and expertise required to act as directors. Ongoing professional development of directors is catered through seminars attendance and CPD programmes from relevant professional bodies. Upon any change in directorship the Board assumes the responsibilities for succession planning as well as for the appointment of new directors. All directors, not limited to newly appointed directors are provided with day to day operational updates pertaining to the Company by Citco (Mauritius) Limited being the Company Secretary of the Company.

As per the Code, there should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The Board has in place a formal, rigorous and transparent procedure for the appointment of the directors. The Company Secretary ensures that new appointments are made in accordance with the Companies Act 2001 and the Financial Services Act 2007. The Company Secretary ensures that prior approval is obtained from the Financial Services Commission and all due diligence documents are on record prior to the appointment of the new director.

The Board ensures that newly appointed Director has sufficient knowledge and understanding of the nature of the business, and the opportunities and challenges facing the Company, to enable them to effectively contribute to strategic discussions and oversight of the Company.

The Board is aware of the requirement of holding Continuous Programmes Development (CPD). The independent directors are professional lawyers and attend CPD events on a regular basis. The executive directors are employees of the ultimate parent of the Company which has defined training programmes for their employees.

The Company, being a Private Limited Company holding a Global Business Licence Category One does not consider having a website to demonstrate its governance position to the public as a necessary step towards achieving good governance at this stage.

#### **Profile of Company Secretary**

The secretary of the Company is Citco (Mauritius) Limited. The Company Secretary is licensed by the Financial Services Commission of Mauritius and is responsible for ensuring the Company complies with all the provisions of the Companies Act 2001 and tax and regulatory requirements. The role and function of the secretary of the Company are as follows:

- (i) It ensures compliance with all relevant statutory and regulatory requirements;
- (ii) It ensures support to the directors of the Company and ensures that they are updated with all relevant information relating to the Company;
- (iii) It ensures effective communication with the shareholder(s);
- (iv) It organizes board meetings and circulates board agenda for board meetings whenever so required;
- (v) It records all board decisions and resolutions and maintains the minute's book and other statutory records;
- (vi) It assists the Company in governance processes.



**Profile of the Directors**

**Mannish Ajodah (Independent Director)**

Mannish read law at the University of Mauritius where he was awarded the Law Prize in 1995 and he graduated in 1996. He performed part of this pupillage in Temple, London and in Aix-en-Provence, France. He was called to the bar in Mauritius in January 1999 and has since been in private practice. Mannish passed the Stockbroker's Examination organised by the Stock Exchange Commission of Mauritius. Mannish practices in the fields of civil, commercial and corporate law. He occasionally accepts instructions in criminal matters, especially white collar offences. Mannish has an extensive experience in dispute resolution. He regularly appears in civil, commercial and corporate cases before the District, Intermediate and Supreme Courts of Mauritius and before local Tribunals and statutory boards. His practice includes appearing in company law, bankruptcy and insolvency matters before the Commercial Division of the Supreme Court. He also appears before the Assessment Review Committee in tax disputes with the revenue authorities. His practice also extends in the areas of Competition Law, Contempt of Court proceedings, Judicial Review and Injunctive Relief. A significant portion of Mannish's practice is in commercial and corporate drafting and advisory work. He has a wide experience in advising on company law, banking, insurance, investments, securities, takeovers, taxation, bankruptcies, insolvencies, receiverships, franchising, legal due diligences, the drafting of corporate agreements, and generally advises companies, sociétés, limited partnerships and trusts in all aspects of their operations.

He regularly advises both management companies and licensees in the global business sector. Mannish sits as director on the board of directors of a numerous local companies holding global business licenses. Mannish has been a past treasurer of the Mauritius Bar Association. He has been called upon to lecture construction industry professionals for the purpose of their continuous professional development.

**Subhas Chandra Lallah (Independent Director)**

Mr. Lallah is a partner of Lallah Chambers having read Law and Political Science in England and was sworn in as a Barrister at the Bar of England and Wales in 1970. He is a member of the Honourable Society of Lincoln's Inn. He was called to Mauritian Bar in 1971. Subhas is a Senior Counsel of the Republic of Mauritius. His present law practice involves litigation and arbitration practice specializing in corporate, insurance and commercial work. He also provides corporate legal advice and opinions to reputed local and international companies, hedge funds and banks. Furthermore, he is the legal adviser to companies in the Global Business sector/Offshore sector and to Governmental and parastatal bodies.

He is an independent Director of Mauritian Eagle Insurance Company Ltd, Mauritian Eagle Leasing Co Ltd and Deutsche Bank Offshore Mauritius Ltd. He was the former Chairman of the National Transport Corporation and the former member of the Board of Governors of the Mauritius Broadcasting Corporation. At the request of the Mauritian Government, he also chaired a Commission of Enquiry reviewing the Education System at the Stratford College in Mauritius. Subhas was a Member of the Mauritian Legislative National Assembly during the period of 1982 until 1995. He held the position of Deputy Chief Whip and Deputy Speaker of the Legislative National Assembly during that brief spell in active Politics.

**Ashish Pithawala (Executive Director)**

Ashish Pithawala has over 20 years of experience in Alternative Fund Management industry. His experience at Edelweiss and Q India spans across fund strategies of Private Equity, hedge Funds, Private Debt, Distressed Investments & Public Markets investments. He has recently played the role of COO at Edelweiss Alternative Assets Advisors Limited in India. At Edelweiss, he has played a key role in developing and executing the strategic goals of the company. He serves as a member of various decision making bodies including credit committees and product evaluation committee. He has been effective in rolling out various policies (Valuation, ESG, Conflict resolution) and ensuring highest standards of governance in the fund management activity. In an administrative capacity, his responsibilities are across fund accounting, taxation, investor reporting, compliance and technology development. In his prior role at Q-India Investment Advisors Pvt Ltd, he was the founding member of a successful private equity fund manager in India. At Q-India, he has been successful in building and operating businesses as well as playing the role of investment management in portfolio companies. He has served as a director at the Fund manager as well as been appointed as a director of key underlying portfolio companies during his tenure at Q-India.

Ashish Pithawala is an MBA in Finance from Texas A&M University and also holds a Bachelor in Engineering degree from the University of Mumbai.

**Vivek Sharma (Executive Director)**

Vivek Sharma comes with more than 11 years of experience across Private Banking, Investment Management and Consumer banking in India. He has worked with Citibank and ING earlier, before joining Edelweiss. Vivek has worked across product, strategy and business development roles and has been instrumental in setting up new businesses both at ING Investment Management and Edelweiss. At Edelweiss, Vivek was responsible for setting up the Products & Investment Advisory function for the Global Wealth Management business. The desk is responsible for investment advice across asset classes, identifying opportunities and trends and creating product solutions for the Global Wealth Management clients.

In his last assignment, he was Head of Products at ING Asset Management, India and was part of the core team responsible for setting up the offshore Asset Management business providing investment avenues for offshore investors into India.

Vivek is an Economics Graduate from St. Xaviers College and an MBA graduate from Symbiosis Institute, India.

**Principle 4: Directors' Duties, Remuneration and Performance**

The directors are aware of their legal duties as required under the Companies Act and other laws and regulations and they use care, skill and diligence while exercising the same. The Board of directors oversees the way the Company operates and ensures that sound policies already agreed upon are followed.

Directors disclose promptly any direct and indirect interest in contracts or transactions with the Company. Wherever there are related party transactions, the directors ensure that transactions are at arm's length/market rates. A register of interests is maintained by the Company Secretary and all conflicts-of-interest and related-party transactions are conducted in accordance with the Constitution. The interest register is available to the shareholder of the Company upon request from the Company Secretary.

The Administrator ensures that performance of information and information technology systems lead to business benefits and create value. The Administrator has effective IT policies and strategy in place. The Administrator ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The directors ensure strict confidentiality with respect to information obtained while exercising their duties.

The Administrator uses ViewPoint Document Manager to store data and information regarding the Company and Fircosoft which is the industry leading watchlist filtering and trade compliance solutions. The Administrator has also an effective Business Continuity Plan in place which covers the Company as well.

The resident directors are entitled to a director fee of USD 6,450 (USD 3,000 for Subhas Chandra Lallah and USD 3,450 for Girendre Mannish Hanoomanjee Ajodah), per annum for directorship services exercised. No other remuneration has been paid to the directors in form of share options or bonuses or bonuses associated with organisational performance.

The executive directors are officers of the Edelweiss Group and they do not receive any remuneration from the Company.

The Board is satisfied that no remuneration committee needs to be set up to guide on remuneration process for the Company.

The Code encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and individual directors, and produce a development plan on an annual basis.

The Board and the Company Secretary evaluates the performance of the Board, individual directors and its policies and procedures.

The directors must declare the nature of their interest(s), depending on the following circumstances:

- (a) at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration;
- (b) if the director is not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting held after he becomes interested; or
- (c) in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the directors held after he becomes so interested.

The ethical standards of the Company are defined in the Code of Ethics. These policies and procedures enable the Company to meet its regulatory obligations and also meet its objective of creating and operating with the highest levels of business integrity and ethical best practice. The Code of Ethics adopted by the Company, is reviewed on an annual basis at the physical board meeting of the Company.

The Company Secretary ensures that performance of information and information technology systems lead to business benefits and create value. The Company Secretary has effective IT policies and strategy in place. The Company Secretary ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The directors ensure strict confidentiality with respect to information obtained while exercising their duties. There is no restriction over access to information.

Given its size and nature of business as well as being a private company, the Company has not appointed an independent evaluator for the evaluation of its Board and does not have a policy in place for board evaluation. However, the shareholders of the Company are entitled to nominate and appoint director(s) on the Board at any time and to remove any director(s) so appointed.

**Principle 5: Risk Governance and Internal Control**

The Board is ultimately responsible for the governance of risk, the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company. World checks are conducted periodically on the beneficial owners and controllers of the Company.

The day to day operations are overseen by Citco (Mauritius) Limited, in the capacity as the management company, which has sound system and controls in place. The Board reviews these arrangements periodically.

Considering the size and nature of its business activities, that is the provision of providing advisory services, the Company does not have a whistle blowing policy in place. Instead, all the Company's affairs are addressed to the Board of directors of the Company.

The Board is ultimately responsible for the Company's system of internal control as well as implementation, maintenance and monitoring of the internal control in place.

Citco (Mauritius) Limited, being the Management Company and Company Secretary applies the SOC 1 procedures for payment processes.

The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company. Further, risks and uncertainties are managed at the level of the Board of directors of the Company.

The Board of directors is responsible for the day to day management as well as the Company's strategic, financial, operational and compliance risk matters. Further, the Board has developed and implemented appropriate framework and effective process for the sound management of risk. Transaction monitoring is conducted on a monthly basis.

There are no significant areas which are not covered by the system of internal control. During the year under review there were no risks or deficiencies in the Company's system of internal controls.

The Administrator take sufficient measure to ensure that Company's strategic, financial, operational and compliance risk are mitigated and the measures are as follows:

**Strategic risk**

The Administrator ensures that the activities of the Company is in line with its business plan.

**Financial risk**

The Company's activities expose it to a variety of financial risks such as market 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.

**Operational risk**

All transactions of the Company are approved by the board of directors either by way of written resolution or through a board meeting and all major transactions are approved by the shareholders of the Company. The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company made a loss of **USD 1,980,449** in the current year and accumulated loss amounts to **USD 251,431** as at 31 March 2019. Cash flows generated from operations totaled **USD 59,439** for the year ended 31 March 2019.

The ultimate holding company undertakes to provide the Company, with the funding and/or other support needed to make it possible for the Company to meet its ongoing financial obligations as they fall due or for a period of not less than twelve months.

**Compliance risk**

World checks are conducted periodically on the beneficial owners and controllers of the Company. Prior approval of the Financial Services Commission are sought before proceeding with change in beneficial owners and/or directors of the Company. The administrator conducts periodic review on the Company's due diligence, transaction monitoring and risk rating.

**Principle 6: Reporting with Integrity**

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act 2001.

The directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Notice of Annual Meeting is sent to shareholders in a timely manner and minutes of annual Meetings are sent to shareholders for review and comments, in accordance with the Companies Act.

The directors make an assessment of the Company's ability to continue as a going concern and same is disclosed in the financial statements every year.

Due to the nature of its activities the Company has:

- no adverse impact on environment;
- no health and safety issues;
- no adverse social issues;
- no corporate social responsibility in place;
- not made any donations during the current or in previous year.

The Board also does not deem necessary to have a dedicated website for the Company.

**Principle 7: Audit**

The directors are responsible for the preparation and fair preparation of the financial statements in accordance with all the requirements of the Companies Act and IFRS and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The auditor of the Company is KPMG since 2009. KPMG have in built processes to observe the highest standards of business and professional ethics. Due to the nature of the activities of the Company, no Audit Committee has been set up. The Board of directors collectively consider the measures in respect of the Code of Corporate Governance. The directors discuss the accounting principles adopted by the Company with the external auditors.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

KPMG was re-appointed as the statutory auditors for the financial year ended 31 March 2019 at the shareholders' meeting held on 11<sup>th</sup> September 2018. Assessment of external auditors encompasses an assessment of the qualifications and performance of the auditors, the quality and integrity of the auditors' communication to the Board and the auditors' independence, objectivity and professional scepticism.

The responsibility of monitoring the internal control systems in place has been kept at the Board level, given the size and complexity of the Company, as such no internal audit function has been established.

The auditor's remuneration with respect to the audit for the year ended 31st March 2019 is USD 7,705.

**Principle 8: Relations with Shareholders and Other Key Stakeholders**

The Board is responsible for directing the affairs of the Company in the best interests of its shareholder, in conformity with legal and regulatory frameworks, and consistent with its constitution and best governance practices. Any queries raised by the shareholder are attended to by the Secretary and directors as and when applicable.

The corporate shareholder of the Company is EC International Limited, a company incorporated in the Mauritius. Written resolution in lieu of holding an Annual General Meeting is circulated to the shareholder for adoption of the Company's financial statements.

The Board is confident that all the principles listed above have been applied under The National Code of Corporate Governance of Mauritius (2016) (the "Code") and all terms used are coherent to the criterias stipulated in the Code.

The directors are pleased to present their report together with the audited financial statements of EAAA LLC (the "Company") for the year ended March 31, 2019.

#### **PRINCIPAL ACTIVITY**

The Company was incorporated on May 25, 2009 as a private company limited by shares and holds a Global Business Licence Category 1 under the Financial Services Act 2007. The principal activity of the Company is to provide investment advisory services to Closed-End Funds. The Company holds an Investment Advisory (Unrestricted) Licence as issued by the Financial Services Commission under the Securities Act 2005. Its registered office is situated at 4<sup>th</sup> Floor, Tower A, 1 CyberCity, Ebène, Mauritius.

#### **RESULTS**

The Company's loss for the year ended **March 31, 2019** is **USD 1,980,449**. (Profit in 2018: USD 1,755,839).

#### **DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

The Company's directors are responsible for the preparation and presentation of the financial statements, in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements.

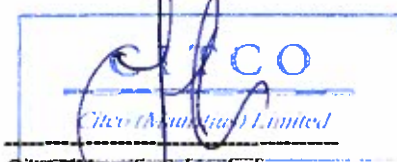
The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

#### **AUDITORS**

The auditors, KPMG, have expressed their willingness to continue in office.

**By order of the Board**

A blue ink signature is written over a rectangular blue stamp. The stamp contains the word "CITCO" in large letters and "Citco (Mauritius) Limited" in smaller letters below it.

**Citco (Mauritius) Limited**  
**Corporate Secretary**

**Date: 28 JUN 2019**

**CERTIFICATE FROM THE SECRETARY  
TO THE MEMBERS OF EAAA LLC**

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**5**

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of EAAA LLC under the Mauritius Companies Act during the financial year ended March 31, 2019.



4<sup>th</sup> Floor, Tower A  
1 Cybercity, Ebène  
Mauritius

Date: 28 JUN 2019





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31, Cybercity  
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BRN No. F07000189  
Website www.kpmg.mu

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAAA LLC**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of EAAA LLC (the Company), which comprise the statement of financial position as at 31 March 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 29.

In our opinion, these financial statements give a true and fair view of the financial position of EAAA LLC as at 31 March 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EAAA LLC**

**Report on the Audit of the Financial Statements**

*Other Information*

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

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of directors for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EAAA LLC**

**Report on the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EAAA LLC**

**Report on the Audit of the Financial Statements**

*Other Matter*

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

**Report on Other Legal and Regulatory Requirements**

*Mauritius Companies Act*

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

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

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

*Financial Services Act Circular letter CL280218*

Our responsibility under the Financial Services Act Circular letter CL280218 is to report on the compliance with the Code of Corporate Governance disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Company has complied with the requirements of the Code.

**KPMG**  
Ebène, Mauritius

**Désiré LAN CHEONG WAH, FCA**  
*Licensed by FRC*

**Date: 28 June 2019**



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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAAA LLC**

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of EAAA LLC (the Company), which comprise the statement of financial position as at 31 March 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 29.

In our opinion, these financial statements give a true and fair view of the financial position of EAAA LLC as at 31 March 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EAAA LLC**

**Report on the Audit of the Financial Statements**

*Other Information*

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

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of directors for the Financial Statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EAAA LLC**

**Report on the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF EAAA LLC**

**Report on the Audit of the Financial Statements**

*Other Matter*

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

**Report on Other Legal and Regulatory Requirements**

*Mauritius Companies Act*

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

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

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

*Financial Services Act Circular letter CL280218*

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**KPMG**  
Ebène, Mauritius

**Désiré LAN CHEONG WAH, FCA**  
*Licensed by FRC*

**Date: 28 June 2019**



**EAAA LLC**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**10**

	Note	<u>2019</u>	<u>2018</u>
		<u>USD</u>	<u>USD</u>
<b>Revenue</b>			
Interest income	7(b)	<b>16,635</b>	-
Advisory fee income	6	-	2,000,000
		<u><b>16,635</b></u>	<u>2,000,000</u>
<b>Expenses</b>			
Administrative expenses	7(a)	<b>198,134</b>	126,565
Finance cost	7(b)	-	10,275
Impairment loss	10	<b>1,798,950</b>	-
Advisory fees		-	80,000
		<u><b>1,997,084</b></u>	<u>216,840</u>
<b>(Loss) / Profit before taxation</b>		<b>(1,980,449)</b>	1,783,160
Taxation	8	-	(27,321)
<b>(Loss) / Profit for the year</b>		<u><b>(1,980,449)</b></u>	<u>1,755,839</u>
Other comprehensive income		-	-
<b>Total Comprehensive (Loss) / Income for the year</b>		<u><u><b>(1,980,449)</b></u></u>	<u><u>1,755,839</u></u>

The notes on pages 14 to 29 form part of these financial statements.

**EAAA LLC**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**

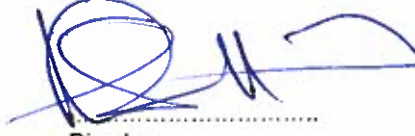
11

	Note	2019 USD	2018 USD
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Investment in subsidiaries	9	53,160	1,850,100
Financial Assets at fair value through profit and loss	11(a)	4,215	-
Available for Sale financial assets	11(b)	-	4,215
<b>Total non-current assets</b>		<b>57,375</b>	<b>1,854,315</b>
<b>Current assets</b>			
Trade and other receivable	12(a)	80,776	80,776
Loan to holding company	12(b)	653,411	1,006,776
Cash and cash equivalents		65,817	6,378
<b>Total current assets</b>		<b>800,004</b>	<b>1,093,930</b>
<b>Total assets</b>		<b>857,379</b>	<b>2,948,245</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Stated capital	13	1,101,101	1,101,101
(Accumulated Losses) / Retained earnings		(251,431)	1,729,018
<b>Total equity</b>		<b>849,670</b>	<b>2,830,119</b>
<b>Current liabilities</b>			
Income tax	8	-	27,321
Trade and other payable	14	7,709	90,805
<b>Total current liabilities</b>		<b>7,709</b>	<b>118,126</b>
<b>Total equity and liabilities</b>		<b>857,379</b>	<b>2,948,245</b>

28 JUN 2019

Approved by the Board on ..... and signed on its behalf by:

  
 .....  
 Director

  
 .....  
 Director

The notes on pages 14 to 29 form part of these financial statements.

**EAAA LLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**12**

	<b>Stated capital</b>	<b>(Accumulated losses) / Retained earnings</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
At April 1, 2017	1,101,101	(26,821)	1,074,280
<i>Total comprehensive income for the year</i>			
Profit for the year	-	1,755,839	1,755,839
<b>At March 31, 2018</b>	<b>1,101,101</b>	<b>1,729,018</b>	<b>2,830,119</b>
<i>Total comprehensive income for the year</i>			
Loss for the year	-	(1,980,449)	(1,980,449)
<b>At March 31, 2019</b>	<b>1,101,101</b>	<b>(251,431)</b>	<b>849,670</b>

The notes on pages 14 to 29 form part of these financial statements.

**EAAA LLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**13**

	<b>2019</b>	<b>2018</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flow from operating activities</b>		
(Loss) / Profit for the year before tax	<b>(1,980,449)</b>	1,783,160
<i>Adjustments for:</i>		
Provision for impairment loss	<b>1,798,950</b>	-
Interest income on loan given	<b>(16,635)</b>	(6,776)
Interest expense on loan taken	<b>-</b>	17,051
	<b>(198,134)</b>	1,793,435
Change in advisory fees receivable	<b>-</b>	90,000
Change in trade and other receivable	<b>-</b>	(68,830)
Change in trade and other payable	<b>(83,096)</b>	81,156
Tax paid	<b>(27,321)</b>	-
<b>Net cash (used in) / from operating activities</b>	<b>(308,551)</b>	1,895,761
<b>Cash flows from investing activities</b>		
Purchase of investment	<b>(2,010)</b>	-
Loan repayment from / (given to) holding company	<b>365,302</b>	(1,000,000)
Interest received on loans given to holding company	<b>4,698</b>	-
<b>Net cash from / (used in) investing activities</b>	<b>367,990</b>	(1,000,000)
<b>Cash flows from financing activities</b>		
Repayment of loan taken	<b>-</b>	(786,964)
Interest paid on loan taken	<b>-</b>	(130,011)
<b>Net cash used in financing activities</b>	<b>-</b>	(916,975)
<b>Net movement in cash and cash equivalents</b>	<b>59,439</b>	(21,214)
Cash and cash equivalents at beginning of the year	<b>6,378</b>	27,592
<b>Cash and cash equivalents at end of the year</b>	<b>65,817</b>	6,378

The notes on pages 14 to 29 form part of these financial statements.

**1. GENERAL INFORMATION**

EAAA LLC (the "Company") was incorporated on May 25, 2009 as a private company limited by shares and holds a Global Business Licence Category 1 under the Financial Services Act 2007. The principal activity of the Company is to provide investment advisory services to Close End Funds. The Company holds an Investment Advisory (Unrestricted) Licence as issued by the Financial Services Commission under the Securities Act 2005. Its registered office is situated at 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius.

The Company has retained the services of Citco (Mauritius) Limited to assist it in performing certain corporate and administration services.

**2. BASIS OF PREPARATION**

**(i) Statement of compliance**

The Company is the holder of a Category 1 Global Business Licence and has subsidiaries. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with Section 211 of the Mauritius Companies Act, Content and form of financial statements, these financial statements present fairly the financial position, financial performance and cash flow of the Company. The basis of preparation of these financial statements complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), except for the standard applicable to Consolidated Financial Statements (IFRS 10).

**(ii) Basis of measurement**

The financial statements have been prepared on the going concern basis using the historical cost convention.

**(iii) Functional and presentation currency**

The financial statements are presented in United States Dollar ("USD") which is the Company's functional currency.

**(iv) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**(a) Going concern**

The directors are of the opinion that the Company has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Company's financial statements. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

**(b) Impairment of assets**

Management carries out a regular review of the status of the assets of the Company to determine whether there is any indication that these assets suffered any impairment. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, which is then recognised in profit or loss. Management checks whether there is objective evidence that the assets are impaired and that the fair values have declined. Management estimates of the impairment are based on critical evaluation of the economic circumstances involved, historical experience and other factors considered to be relevant.

**(c) Determination of functional currency**

The determination of the functional currency of the Company is critical since recording of transactions as exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors described therein and have determined that the functional currency of the Company is USD.

Except for the changes below, the Company has consistently applied the accounting policies set out in Note 4 to all periods presented in these financial statements.

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

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

This amendment had no impact on the Company's financial statements for the current year as the notes and policies included in the financial statements already provided good understandability and comparability to the users.

### 3. CHANGES IN ACCOUNTING POLICIES AND STANDARDS AND INTERPRETATIONS ADOPTED IN CURRENT YEAR

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 April 2018.

#### *IFRS 9 Financial Instruments*

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under IAS 39, impairment was recognised when losses were incurred. The Company did not previously report any incurred losses.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

The adoption of IFRS 9 had no material impact on the equity attributable to owners of the Company.

#### *Classification and measurement*

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The Company applied IFRS 9 using the cumulative effect method, with an initial application date of 1 April 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity. The reclassifications and the adjustments arising from the new IFRS 9 rules are therefore not reflected in the statement of financial position as at 31 March 2018 but are recognized in the opening statement of financial position on 1 April 2018.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial assets and financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 April 2018.

Financial Assets	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying Amount under IAS 39 USD	Carrying Amount under IFRS 9 USD
Equity Investments	Available for Sale	FVTPL	53,160	53,160
Equity Investments	Available for Sale	FVTPL	4,215	4,215
Cash and Cash equivalents	Loans and receivables	Amortised cost	65,817	65,817
Total Financial Assets			<u>123,192</u>	<u>123,192</u>
Financial Liabilities	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying Amount under IAS 39 USD	New Carrying Amount under IFRS 9 USD
Accruals	Other Liabilities	Amortised cost	7,709	7,709
Total Financial Liabilities			<u>7,709</u>	<u>7,709</u>

**3. CHANGES IN ACCOUNTING POLICIES AND STANDARDS AND INTERPRETATIONS ADOPTED IN CURRENT YEAR (CONTINUED)**

*Impairment of financial assets*

The impairment requirements are based on an expected credit loss ("ECL") model that replaces the IAS 39 incurred loss model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The Company has determined that the application of IFRS 9's impairment requirements at 1 April 2018 results in no impairment allowance of cash and cash equivalents.

*Transition*

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied prospectively below.

Comparative periods have not generally been restated. The adoption of IFRS 9 had no material impact on the total equity as at 1 April 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9, but rather those of IAS 39. The Company has used the exemption not to restate comparative periods.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into).

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to the period presented in these audited financial statements and have been applied consistently by the Company except for changes in accounting policies as disclosed in note 3.

**(a) Revenue recognition**

Revenue earned by the Company is recognised on the following basis:

- Interest income - on an accrual basis.

**(b) Expense recognition**

Expenses are accounted for in profit or loss on the accruals basis.

**(c) Transactions and balances**

- Foreign currency transactions

Transactions in foreign currencies are translated to the USD at the exchange rate at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences on translation are recognised in profit or loss as net foreign exchange gain/(loss), except for those arising on financial instruments at fair value through statement of profit or loss and other comprehensive income, which are recognised as net gain from financial instruments at fair value through statement of profit or loss and other comprehensive income.

**(d) Taxation**

Income tax on the profit or loss for the period comprises current tax and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Current tax payable also includes any tax liability arising from the declaration of dividends.

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Taxation (Continued)**

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

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

**(e) Investment in subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Company does not consolidate its investment in subsidiary as per IFRS 10 as explained in Note 2(i). Investment in the subsidiary undertaking is initially shown at cost in the Company's accounts. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

**(f) Impairment**

**(i) Financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**(ii) Non financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets.



**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Impairment (Continued)**

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

**(g) Financial assets and financial liabilities**

**(i) Recognition and Initial Measurement**

The Company initially recognises financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

**(ii) Classification and subsequent measurement**

Classification of financial assets - Policy applicable from 1 April 2018

On initial recognition, the Company classifies financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: this includes equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis.

**(iii) Assessment whether contractual cash flows are SPPI**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

**Reclassifications**

Financial assets are not reclassified subsequent to their initial recognition unless the Company was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

**4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Financial assets and financial liabilities (Continued)**

**(iv) Classification of financial assets**

*Policy applicable before 1 April 2018*

The Company classified financial assets into the following categories.

• Loans and receivables

These assets were recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprised of deposit on shares and cash and cash equivalents.

• Subsequent measurement

*Policy applicable as from 1 April 2018*

Financial assets at amortised cost (2018: loans and receivables)

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange loss' and impairment is recognised in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

*Financial liabilities – classification and subsequent measurement*

*Policy applicable before 1 April 2018*

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

*Policy applicable as from 1 April 2018*

The Company classifies non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. The financial liabilities include other payables.

**(v) Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

**(vi) Amortised cost measurement**

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, and for financial assets, adjusted for any loss allowance.

**(vii) Impairment**

*Policy applicable as from 1 April 2018*

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (g) Financial assets and financial liabilities (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

##### (vii) Impairment (Continued)

The Company assumes that the credit risk on a financial asset has increased significantly if its repayment terms has lapsed.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any held).

The Company considers a financial asset to have a low risk when the amount receivable is with related parties.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

##### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

##### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

##### Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

##### (viii) Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

##### *Policy applicable as from 1 April 2018*

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s), and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (g) Financial assets and financial liabilities (Continued)

###### (viii) Write-off (Continued)

###### *Financial assets measured at amortised cost*

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

###### *Impairment of Non-financial assets*

At each reporting date, the Company reviews the carrying amounts of its non – financial assets to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

###### (ix) Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or has expired.

##### (h) Stated capital

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

##### (i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and is probable that an outflow of economic benefits can be reasonably estimated.

##### (j) New standards, interpretations and amendments issued and not yet effective

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended March 31, 2019 and which have not been adopted in these financial statements.

None of these standards and amendments is expected to have a significant effect on the financial statements of the Company, except for those listed below:

Standard/Interpretation	Effective date Periods beginning on or after
Conceptual Framework amendments; Amendments to References to Conceptual Framework in IFRS Standards	January 1, 2020
IAS 1 and IAS 8 : Definition of Material	January 1, 2020

#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (j) New standards, interpretations and amendments issued and not yet effective (continued)

###### *Amendments to References to Conceptual Framework in IFRS Standards*

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

###### *IAS 1 and IAS 8 : Definition of Material*

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality.

#### 5. FINANCIAL RISK MANAGEMENT

##### 5.1 Financial Risk Factors

The Company has operations in Mauritius. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principle.

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

##### (a) Liquidity risk

Liquidity risk emanates from the mismatches existing on the balance sheet due to differences in maturity and repayment profile of assets and liabilities. These mismatches could either be forced in nature due to market conditions or created with an interest rate view. Such risk can lead to a possibility of unavailability of funds to meet upcoming obligations arising from liability maturities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company receives support from its ultimate holding company.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

	Less than 1 year 2019 USD	Less than 1 year 2018 USD
At March 31		
Trade and other payable	7,709	90,805

## 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company's credit risk arises principally from the loan to related party and cash and cash equivalents.

Cash balances are maintained with reputable financial institutions so as to minimize the related credit risk.

Cash balances are maintained with Standard Chartered Bank (Mauritius) Limited, which is a reputable financial institution.

Receivable balances are monitored on an ongoing basis. The maximum exposure is the carrying amount as at year end are disclosed below:

	2019 USD	2018 USD
Other receivables	76,462	76,462
Loan to holding company	653,411	1,006,776
Cash and cash equivalents	65,817	6,378
	<u>795,690</u>	<u>1,089,616</u>

### (c) Market risk

Market risk is the risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to interest rates, equity prices, foreign exchange rates and credit spreads. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (i) Currency risk

All the Company's assets and liabilities are denominated in USD and hence the Company is not exposed to any currency risk as at March 31, 2019.

#### Currency profile

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

	Financial assets 2019 USD	Financial liabilities 2019 USD	Financial assets 2018 USD	Financial liabilities 2018 USD
USD	<u>795,690</u>	<u>7,709</u>	<u>1,093,930</u>	<u>118,126</u>

#### (ii) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. All the Company's financial assets and liabilities are non-interest bearing except for the loan given to EC International Limited.

#### Sensitivity analysis

The sensitivity analysis for the above exposures is as follows:

At March 31, 2019, if the prime lending rate had been 5% higher/lower, profit after tax would have been USD 816 (2018: USD 853) lower/higher, mainly because of higher or lower interest expense.

### (d) Fair value

The Company's other assets and liabilities consist of loan to related party, other receivables, cash at bank and accounts payable which are realised or settled within a short-term period.

	Carrying value/fair value 2019 USD	Carrying value/fair value 2018 USD
Other receivables	76,462	76,462
Loan to holding company	653,411	1,006,776
Cash and cash equivalents	65,817	6,378
Trade and other payable	(7,709)	(90,805)
	<u>787,981</u>	<u>998,811</u>

## 5. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Fair value (Continued)

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

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

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

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

No disclosure in terms of fair value hierarchy has been provided for financial assets and financial liabilities not measured at fair value since the carrying amount of these financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

	Level 1 USD	Level 2 USD	Level 3 USD
At March 31, 2019			
Unquoted securities	-	-	4,215
At March 31, 2018			
Unquoted securities	-	-	4,213

A reconciliation of level 3 unquoted securities is provided in Note 11.

There were no transfers between the different levels during the year.

### (e) Categories of Financial Assets and Liabilities

	FVTPL 2019 USD	At Amortised Cost 2019 USD	At Amortised Cost 2019 USD	FVTPL 2018 USD	Loans and receivables 2018 USD	Other Liabilities 2018 USD
Financial assets	4,215	-	-	4,213	-	-
Other receivables	-	76,462	-	-	76,462	-
Loan to holding company	-	653,411	-	-	1,006,776	-
Cash and cash equivalents	-	65,817	-	-	6,378	-
Accounts payable	-	-	7,709	-	-	90,805
	4,215	795,690	7,709	4,213	1,089,616	90,805

## 5.2 Capital risk management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide an adequate return for shareholders.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of local regulation.

The Company as a holder of an Investment Adviser (Unrestricted) Licence issued by the Financial Services Commission, is required under the Securities Act 2005 to maintain a minimum paid up and unimpaired capital of at least Mauritian Rupees 600,000 or an equivalent amount in foreign currency. As at March 31, 2019, the Company has a shareholders' fund of USD 849,670 (2018: USD 2,830,119).

The directors are committed to ensure that the minimum capital requirements of the Company are met at all times and take appropriate measures anytime there is a breach.

**6. ADVISORY FEE INCOME**

On May 23, 2016, the Company entered into an Investment Advisory Agreement with Ideal Fortune Management Limited to provide investment advisory services in relation to market intelligence reports, macro and micro economic analysis reports and other financial advisory services to Ideal Fortune Management Limited in relation to its investments. On June 3, 2016, the Company entered into a second Investment Advisory Agreement with Ideal Fortune Management Limited. Annual advisory fees have been calculated based on the reasonable estimation of efforts involved as well as an expectation of additional fee as may be agreed between the Company and Ideal Fortune Management which may be mutually revised on an annual basis. For the year under review, no advisory fee income were received (2018: USD 2,000,000).

**7(a). ADMINISTRATIVE EXPENSES**

	2019	2018
	USD	USD
Accounting and administration expenses	6,240	6,240
Compliance Services	1,000	-
Miscellaneous services	1,540	2,653
Director fees	6,450	6,450
Secretarial fees	807	807
Licence fees	6,815	3,785
Communication expenses	166	166
Registered address charges	537	537
Audit fees	8,678	8,292
Bank charges	4,716	3,499
Professional and legal fees	158,635	81,493
Travelling expenses	1,751	12,643
Rates and taxes	762	-
Foreign Exchange Loss	37	-
	<u>198,134</u>	<u>126,565</u>

**7(b). FINANCE COST / INCOME**

	2019	2018
	USD	USD
<b>Finance cost</b>		
Interest expense on loan taken	-	17,051
<b>Finance income</b>		
Interest income on loan given	<u>16,635</u>	<u>6,776</u>

**8. TAXATION**

The Company is liable to pay income tax on its net income at a rate of 15%. The company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%.

A reconciliation between the current tax expense and the amounts computed by applying the effective rates to income before tax of the Company is as follows:

	2019	2018
	USD	USD
(Loss) / profit before taxation	<u>(1,980,449)</u>	1,783,160
Tax at domestic statutory rate of 15%	(297,067)	267,474
Tax credit	-	(109,284)
Non allowable expenses	269,843	-
Deferred tax assets not recognised	27,225	-
Tax losses utilised	-	(130,869)
Tax payable	<u>-</u>	<u>27,321</u>

As at March 31, 2019, the Company had no tax liability (2018: USD 27,321) and had tax losses of USD 181,499.



9. INVESTMENT IN SUBSIDIARIES

	2019 USD	2018 USD
Balance at the beginning of the year	1,850,100	1,850,100
Additions during the year	2,000	-
Provision for impairment loss	(1,798,940)	-
Balance at the end of the year	53,160	1,850,100

Details of the investment are as follows:

Name of Investee	Class of Shares	Nominal Value USD		holding %		Country of Incorporation	Main Activity
		2019	2018	2019	2018		
EW Special Opportunities Advisors LLC	Ordinary shares	25,000	25,000	67%	67%	Mauritius	Investment Advisory
	Class B Shares	305,100	305,100	100%	100%	Mauritius	Investment Advisory
EW India Special Assets Advisors LLC	Class A Shares	1,512,000	1,511,000	100%	100%	Mauritius	Investment Advisory
	Class B Shares	10,000	9,000	100%	90%	Mauritius	Investment Advisory
		1,852,100	1,850,100				
Less: Impairment Loss		(1,798,940)	-				
		53,160	1,850,100				

10. IMPAIRMENT LOSS

	2019 USD	2018 USD
Impairment loss on Investment in Subsidiaries	1,798,940	-
Impairment loss on Financial Asset at FVTPL	10	-
	1,798,950	-

The Directors carried out an impairment assessment on the investment in subsidiaries. Based on their assessment, the balance as at 31 March 2019 was partly impaired based on the fact that EW Special Opportunities Advisors LLC was in a loss making position and it was not expected that it will become profitable in the near future. EW India Special Assets Advisors LLC is under the process of winding up.

11. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

Management Shares and Carry Shares are not entitled to dividend nor net assets of the investee entities except for the nominal amount invested. Hence the carrying amount approximates the fair value of investment.

- (a) As from 1 April 2018 on adoption of IFRS 9  
Financial Assets at FVTPL comprise the following:

	2019 USD	2018 USD
Investment in ordinary shares	4	-
Investment in management shares	11	-
Addition in management Shares	10	-
Investment in carry shares	4,200	-
	4,225	-
Less: Impairment Loss	(10)	-
	4,215	-

**11. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS**

- (b) Before adoption of IFRS 9  
Available for Sale financial assets comprise of the following

	2019 USD	2018 USD
Investment in ordinary shares	4	4
Reclassified to Financial Assets at FVTPL	(4)	-
Investment in management shares	11	11
Reclassified to Financial Assets at FVTPL	(11)	-
Investment in carry shares	4,200	4,200
Reclassified to Financial Assets at FVTPL	(4,200)	-
	<u>-</u>	<u>4,215</u>

**12(a) TRADE AND OTHER RECEIVABLES**

	2019 USD	2018 USD
Prepayments	4,314	4,314
Other receivables	76,462	76,462
	<u>80,776</u>	<u>80,776</u>

**12(b) LOAN TO HOLDING COMPANY**

	2019 USD	2018 USD
Balance at beginning of the year	1,006,776	-
Interest on loan	16,635	6,776
Loan provided to parent company	-	1,000,000
Repayment received	(370,000)	-
Balance at end of the year	<u>653,411</u>	<u>1,006,776</u>

Loan given to holding company is unsecured, interest bearing and repayable on demand.

**13. STATED CAPITAL**

	2019 USD	2018 USD
<b>Class A Ordinary shares:</b>		
1,101,001 (2018: 1,101,001) paid up ordinary shares of USD 1 each	<u>1,101,001</u>	<u>1,101,001</u>
<b>Class B Ordinary shares:</b>		
100 (2018: 100) class B shares of USD 1 each	<u>100</u>	<u>100</u>

The different classes of shares carry rights as under:

- (i) Class A Ordinary shares carry voting rights but do not carry distribution rights; and  
(ii) Class B Ordinary shares are non voting but carry distribution rights.

Pursuant to Clause 20 of the Constitution of the Company, upon winding up, the assets, if any, remaining after payment of the debts and liabilities and the costs of winding up, shall be distributed among the shareholders in proportion to their shareholding.

**14. TRADE AND OTHER PAYABLES**

	2019 USD	2018 USD
Accruals	7,705	6,601
Advisory fees payable	-	80,000
Other payables	2	4,204
Amount due to related parties	<u>2</u>	<u>-</u>
	<u>7,709</u>	<u>90,805</u>

The carrying amounts of payable approximate their fair value due to short term nature of balances.  
Advisory fees payable and amount due to related parties are unsecured, interest-free and repayable on demand.

# 15. RELATED PARTY TRANSACTIONS

The following are the relationships with various related parties:

Edelweiss Financial Services Limited	Ultimate holding company
EC International Limited	Holding company
EW India Special Assets Advisors LLC	Subsidiary Company
EW India Special Opportunities Advisors LLC	Subsidiary Company
Citco (Mauritius) Limited	Administrator and Secretary
Mannish Ajodah	Director
Subhas Chandra Lallah	Director
Ashish Pithawala	Director
Vivek Sharma	Director

Details of transactions with related parties are as follows:

Nature of transaction	Related party name	2019 USD	2018 USD
<b>(I) Transactions during the year</b>			
Professional Fees	EW India Special Assets Advisors LLC	-	40,000
	EW Special Opportunities Advisors LLC	-	40,000
	Citco (Mauritius) Limited	10,290	10,376
Director Fees	Mannish Ajodah	3,450	3,450
	Subhas Chandra Lallah	3,000	3,000
Short term Loan	EC International Limited	-	1,000,000
Repayment of Short Term Loan	EC International Limited	365,302	-
Interest income on loans	EC International Limited	16,635	6,776
Interest Expense on Loan	EC International Limited	-	17,051
Impairment Loss	EW India Special Assets Advisors LLC	1,468,840	-
	EW Special Opportunitites Advisors LLC	330,100	-
<b>(II) Balances with related parties</b>			
Short-term loans and advances	EC International Limited	634,698	1,000,000
Interest receivable on loans	EC International Limited	18,714	6,776
Trade and other payables	EW India Special Assets Advisors LLC	-	40,000
	EW Special Opportunities Advisors LLC	-	40,000
		<b>653,411</b>	<b>1,086,776</b>

Terms and conditions of transactions with related parties:

- Outstanding balances at year end are unsecured and interest free, except for EC International Limited where the interest rate is between 1.97% to 2.50% (2018: 1.34% to 1.65%).
- The amount due to and from related parties are repayable on demand.
- There have been no guarantees provided or received for any related party receivables or payables.

# 16. HOLDING COMPANY

The directors regard EC International Limited, a category 1 Global Business Licence company, incorporated in Mauritius, as the Company's holding Company and Edelweiss Financial Services Limited, a company incorporated in India as the ultimate holding company.

**17. GOING CONCERN**

The Company reported a loss of **USD 1,980,449** during the year ended **March 31, 2019** (Profit in 2018: USD 1,755,839 ).

The ultimate holding company, Edelweiss Financial Services Limited has confirmed that the Company is or will be put in a position to meet its financial obligation as they fall due and that the Company will duly perform and comply with all its financial obligations. In this respect, the ultimate holding company undertakes to provide the Company, with the funding and/or other support needed to make it possible for the Company to meet its ongoing financial obligations as they fall due or for a period of not less than twelve months.

**18. EVENTS AFTER THE REPORTING DATE**

There have been no material events after the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended March 31, 2019.