CFCL MAURITIUS PVT LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2017

CFCL MAURITIUS PVT LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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CFCL MAURITIUS PVT LTD

CORPORATE INFORMATION

			Date of appointment
DIRECTORS	:	Ashish Subhash Dandekar	25 January 2011
		Dharmesh Naik	25 January 2011
		Amar Bheenick	25 January 2011
ADMINISTRATOR & CORPORATE SECRETARY	:	Virtual Secretaries Limited Level 2, MaxCity Building Remy Ollier Street Port Louis Mauritius	
REGISTERED OFFICE	:	Level 2, MaxCity Building Remy Ollier Street Port Louis Mauritius	
AUDITORS	:	Nexia Baker & Arenson Chartered Accountants 5th Floor, C&R Court 49, Labourdonnais Street Port Louis Mauritius	
BANKER	:	Barclays Bank Plc Offshore Banking Unit 3rd Floor, Barclays House 68-68A Cybercity Ebène Mauritius	

CFCL MAURITIUS PVT LTD

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of CFCL MAURITIUS PVT LTD (the "Company") for year ended 31 March 2017.

PRINCIPAL ACTIVITY

CFCL MAURITIUS PVT LTD ("the Company"), holds a Category 1 Global Business Licence under the Mauritius Companies Act 2001 since 27 January 2011. The Company is primarily involved in investment holding activities.

RESULTS

The statement of profit or loss and other comprehensive income is set out on page 8. The loss for the year ended 31 March 2017 was EURO 12,736 (2016: EURO 15,823).

The directors did not declare any dividend for the year ended 31 March 2017.

DIRECTORS

The present membership of the Board is set out on page 1.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The directors' responsibilities include: 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 and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The director confirm that they have complied with the above requirements in preparing the financial statements.

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

AUDITORS

The auditors, **Nexia, Baker & Arenson**, have expressed their willingness to continue in office.

CFCL MAURITIUS PVT LTD

CERTIFICATE FROM THE COMPANY SECRETARY UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We certify to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of **CFCL MAURITIUS PVT LTD** for the year ended 31 March 2017 under the Mauritian Companies Act 2001.

BRajcoomar

For **Virtual Secretaries Limited**
Corporate Secretary

Level 2, MaxCity Building
Remy Ollier Street
Port Louis
Mauritius

Date: 09 MAY 2017

Nexia
Baker & Arenson

5th Floor, C&R Court
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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CFCL MAURITIUS PVT LTD

Report on the Financial Statements

Opinion

We have audited the financial statements of **CFCL MAURITIUS PVT LTD** (the "Company") set out on pages 7 to 25 which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritius Companies Act 2001

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 Auditor's 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 (IESBA Code) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Company's Secretary. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CFCL MAURITIUS PVT LTD

Report on the Financial Statements (continued)

Directors' Responsibilities for the financial statements (continued)

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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 director's 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.

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CFCL MAURITIUS PVT LTD

Report on the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

Other Matter

This report is made solely to the Company's members, 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 member, those matters that we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

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

We have obtained all 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.

Nexia Baker & Arenson

Nexia Baker & Arenson
Chartered Accountants

Date: 09 MAY 2017

Kian-Fah K.T. Chung Chun Lam FCCA
Licensed by FRC

CFCL MAURITIUS PVT LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017	2016
		EUR	EUR
ASSETS			
Non-current assets			
Investment in subsidiary	5	1,207,266	1,207,266
Loan receivable	6	-	202,015
Total non-current assets		1,207,266	1,409,281
Current assets			
Other receivables	7	5,933	6,004
Cash and cash equivalents		25,581	16,166
Total current assets		31,514	22,170
Total assets		1,238,780	1,431,451
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	97,146	97,146
Accumulated losses		(96,946)	(84,210)
Total equity		200	12,936
Non-current liability			
Borrowings	9	1,235,152	202,015
Current liabilities			
Borrowings	9	-	1,212,876
Other payables	10	3,428	3,624
Total current liabilities		3,428	1,216,500
Total equity and liabilities		1,238,780	1,431,451

The financial statements were approved by the Board of Directors on: 09 MAY 2017.
and were signed on their behalf by:

Dharmesh Naik
Director

Amar Bheenick
Director

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

CFCL MAURITIUS PVT LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017	2016
		EUR	EUR
Revenue			
Exchange gain		**1,536**	-
Expenses			
Administration fees		**3,547**	5,598
ROC fees		**298**	261
TRC renewal fees		**731**	366
Accounting fees		**2,747**	2,518
Audit fees		**4,215**	4,418
Bank charges		**1,132**	443
FSC license fees		**1,602**	1,405
Exchange loss		-	814
		14,272	15,823
Loss before taxation		**(12,736)**	(15,823)
Taxation	**11**	-	-
Loss for the year		**(12,736)**	(15,823)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(12,736)**	(15,823)

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

CFCL MAURITIUS PVT LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital EUR	Accumulated losses EUR	Total EUR
At 01 April 2015	97,146	(68,387)	28,759
Total comprehensive loss for the year	-	(15,823)	(15,823)
At 31 March 2016	97,146	(84,210)	12,936
At 01 April 2016	97,146	(84,210)	12,936
Total comprehensive loss for the year	-	(12,736)	(12,736)
At 31 March 2017	**97,146**	**(96,946)**	**200**

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

CFCL MAURITIUS PVT LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	EUR	EUR
Cash flows from operating activities		
Loss for the year	**(12,736)**	(15,823)
Changes in working capital:		
Decrease/(increase) in other receivables	**71**	(696)
(Decrease) /increase in other payables	**(196)**	430
Net cash used in operating activities	**(12,861)**	(16,089)
Cash flows from investing activity		
Loan repaid	**202,015**	-
Net cash generated from investing activity	**202,015**	-
Cash flows from financing activity		
Borrowings	**(179,739)**	-
Net cash used in financing activity	**(179,739)**	-
Net movement in cash and cash equivalents	**9,415**	(16,089)
Cash and cash equivalents at beginning of the year	**16,166**	32,255
Cash and cash equivalents at end of the period/year	**25,581**	16,166

The notes on pages 11 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 4 to 6.

CFCL MAURITIUS PVT LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. General information

CFCL MAURITIUS PVT LTD ("the Company") was incorporated in Mauritius under the Mauritius Companies Act 2001 on 25 January 2011, a private Company with limited liability by shares. It holds a Global Business Licence 1 issued by the Financial Services Commission as from 27 January 2011.

The address of the Company's registered office is at Level 2 Max City Building, Remy Ollier Street, Port Louis, Mauritius. The main activity of the Company is to act as an investment holding Company.

2. Adoption of new and revised International Financial Reporting Standards ("IFRS")

Amendments to published Standards and Interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Company's financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Company's financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. Amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Company's financial statements

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate FS. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Company's financial statements.

2. Adoption of new and revised International Financial Reporting Standards ("IFRS") (continued)

Amendments to published Standards and Interpretations effective in the reporting period (continued)

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological asset. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Company's financial statements.

Annual Improvements to IFRSs 2012-2014 cycle

IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Company's financial statements.

IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Company's financial statements.

IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Company's financial statements.

IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Company's financial statements.

IAS 34 amendment clarifies what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report' and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Company's financial statements

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals. Confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

2. Adoption of new and revised International Financial Reporting Standards ("IFRS") (continued)

Annual Improvements to IFRSs 2012-2014 cycle (continued)

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2017 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments
IFRS 15 Revenue from Contract with Customers
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
Amendments to IAS 7 Statement of Cash Flows
Clarifications to IFRS 15 Revenue from Contracts with Customers
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
Annual Improvements to IFRSs 2014–2016 Cycle
IFRIC 22 Foreign Currency Transactions and Advance Consideration
Transfers of Investment Property (Amendments to IAS 40)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

3. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements of the Company comply with the Mauritius Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritius Companies Act 2001.

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

(b) Foreign currencies

Functional and Presentation currency

The functional currency of the Company has been determined by reference to, inter alia: the primary economic environment in which the Company operates; the geographical location whose competitive forces mainly determine the sales prices of the Company's goods and services; the currency that mainly influences the determination of costs of providing goods and services; the currency in which funds from financing activities are generated; and, the currency in which proceeds from operating activities are usually retained. For the purpose of the financial statements the results and financial position of the Company have been expressed in EUR which is the functional currency of the Company and a requirement of the Financial Services Act 2007 which requires that the Company's business or other activity is carried out in a currency other than the Mauritian rupee.

Transactions and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Such balances are translated at year-end exchange rates. Non-monetary assets which are denominated in a currency other than the reporting currency are translated at exchange rates prevailing at the date these assets were recognised in the financial statements.

(c) Investment in subsidiary

A subsidiary is an entity in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently convertible are considered when assessing whether the Company controls another entity.

3. Significant accounting policies (continued)

(c) Investment in subsidiary (continued)

The investment in the subsidiary is shown at cost. Where an indication of impairment exists, the recoverable amount of each investment is assessed. Where the carrying amount is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of comprehensive income. On disposal of an 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.

Consolidated financial statements

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001, allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business License, not to present consolidated financial statements. The financials are, therefore, separate statements which contain information about the subsidiary, as per note 5, as an individual company and do not contain consolidated financial information as the parent of a group.

(d) Impairment of financial assets

The Company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future statement of cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance amount. The amount of the loss shall be recognised in profit or loss.

(e) Financial instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

The Company's accounting policies in respect of the main financial instruments are set out below:

(i) Other receivables

Other receivables are stated at their nominal value.

(ii) Loan receivable

Loan receivable is stated at its nominal value as reduced by appropriate allowances for estimated irrecoverable amount.

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

(iii) Other payables

Trade and other payables are stated at their nominal value.

(iv) Borrowings

Borrowings are recognised at issue proceeds net of transaction cost incurred.

(v) Equity instruments

Equity instruments are stated at their nominal value.

(vi) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Derecognition of financial assets and liabilities

(i) Financial assets

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

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

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3. Significant accounting policies (continued)

(f) Derecognition of financial assets and liabilities (continued)

(ii) Financial liabilities

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

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

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(h) Expenses

Expenses are accounted for on an accrual basis.

(i) Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

(j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

3. Significant accounting policies (continued)

(k) Taxation

Income tax on profit or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted at the reporting date and any adjustment to tax payable in respect of prior years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. Critical accounting jugements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has not made any significant judgement which could have some significant effect on the amounts recognised in the financial statements.

Income tax

The Company is subject to income taxes in Mauritius. Judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the estimated amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Investment in Subsidiary

At each reporting date, management assesses if the Company's investment in subsidiary has suffered any impairment in accordance with the accounting policy stated in note 3 (c). Based on the assumptions and judgement made by management, impairment charge is recognised for the Company's investment in subsidiary.

CFCL MAURITIUS PVT LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

5. Investment in subsidiary

	2017	2016
	EUR	EUR
Unquoted		
At 31 March	**1,207,266**	1,207,266

Details of the investment are as follows:

Name of investee company	Country of incorporation	Types of shares	Number of shares	% held	At cost
					EUR
CFS EUROPE S.P.A	Italy	Ordinary	2,000,000	100%	**1,207,266**

The company has adopted the policy of measuring its investment at cost, the directors are of the opinion that the carrying value of investment is fairly stated at cost and that it has not suffered any impairment in value.

As per resolution dated 19 November 2014 it was noted that the Export-Import Bank of India ("EXIM") had granted a working capital loan of Euro 2.25M through its Overseas Investment Finance Programme and a loan of Euro 1.98M for the financing of the capital expenditure for a project to CFS Europe S.P.A, the subsidiary of the Company. In accordance with the conditions of the loan, Exim bank has taken as pledge the shares of the Company held in the subsidiary, CFS Europe SPA. Furthermore Exim bank has also taken as pledge the 132,200 ordinary shares held by Camlin Fine Sciences Ltd in the Company. The shares pledge agreement between Camlin Fine Sciences Ltd, Exim Bank and the Company have been signed on 24 February 2015.

As at 31 March 2017, the loans of Euro 2,250,000 amd Euro 1,980,000 have been fully repaid and certificates of no dues have been received from Exim bank. However, the pledge on the shares shall be removed only after repayment of all other loans by Camlin Fine Sciences Ltd to the Exim bank.

6. Loan receivable

	2017	2016
	EUR	EUR
Loan due from related party (note 13) as at 1 April	**202,015**	202,015
Repayment during the year	**(202,015)**	
As at 31 March	**-**	202,015

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7. Other receivables

	2017	2016
	EUR	EUR
Prepayments	5,933	6,004

8. Stated capital

	2017	2016
	EUR	EUR
132,200 ordinary shares of USD 1 each	97,146	97,146

Stated capital comprises the total issued and paid up shares as at the reporting date.

9. Borrowings

	2017	2016
	EUR	EUR
Non-current liability :		
Loan due to related party as at 1 April	202,015	202,015
Transfer from current liability	1,033,137	-
Loan due to related party as at 31 March	1,235,152	202,015
Current liability :		
Loan due to related party as at 1 April	1,212,876	1,212,876
Transfer to non current liability	(1,033,137)	
Repayment during the year	(179,739)	-
Loan due to related party as at 31 March	-	1,212,876
Total (note 13)	1,235,152	1,414,891

Borrowings represent an amount due to Camlin Fine Sciences Ltd which is unsecured, interest free and repayable more than one year.

10. Other payables

	2017	2016
	EUR	EUR
Accruals	3,428	3,624

11. Taxation

Income Tax

The Company was granted a tax residence certificate on 21 February 2012 under the Income Tax Act 1995. The Company is a tax incentive Company for Income Tax purposes and is liable to Income Tax on assessable income in Mauritius at the rate of 15 %. It is entitled to a deduction in respect of the foreign tax credit of 80% pursuant to Income Tax regulations.

As at 31 March 2017, the Company has accumulated tax losses of EUR 57,256 (2016: EUR 58,100) and is therefore not liable to income tax. Interest income from banks in Mauritius is exempt from tax and there is no tax on capital gains in Mauritius.

Deferred tax assets amounting to EUR 1,718 (2016: EUR 1,743) have not been recognised in the financial statements in respect of tax losses amounting to EUR 57,256 (2016: EUR 58,100)

12. Financial instruments and capital management

12.1 Financial risk factors

Overview

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit risk;
(ii) Liquidity risk;
(iii) Market risk;
(iv) Interest rate risk;
(v) Currency risk; and

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

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12. Financial instruments and capital management (continued)

12.1 Financial risk factors (continued)

(i) Credit risk

The Company's credit risk is primarily attributable to its financial asset. Credit risk represents the potential loss that the Company would incur if counter party fails to perform pursuant to the terms of its obligation to the Company. The maximum exposure to credit risk is represented by the carrying amount of the financial asset in the statement of financial position. The Company does not hold any collateral as securitiy.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Company's reputation.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2017 based on contractual undiscounted payments:

	2017			2016		
	Due between 1-5 years	**Due for less than 1 year**	**Total**	Due between 1-5 years	Due for less than 1 year	Total
	EUR	**EUR**	**EUR**	EUR	EUR	EUR
Other payables	**-**	**3,428**	**3,428**	-	3,624	3,624
Borrowings	**1,235,152**	**-**	**1,235,152**	202,015	1,212,876	1,414,891
	1,235,152	**3,428**	**1,238,580**	202,015	1,216,500	1,418,515

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(iv) Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing and as a result the company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Company's only interest-bearing financial instruments at the end of reporting date is its cash and cash equivalent, hence it was not significant exposed to interest rate risk.

12. Financial instruments and capital management (continued)

12.1 Financial risk factors (continued)

(v) Currency risk

The Company has financial assets and liabilities which are denominated in EUR. Consequently, the Company is exposed to the risk that the exchange rate of the EUR relative to the USD may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in EUR.

Foreign currency sensitivity analysis

The Company is mainly exposed to USD.

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

Impact of a 10% increase/(decrease) of the against the USD.

	2017	2016
Currency	**EUR**	EUR
USD	**2,558**	1,261

Currency profile

The financial instruments are disclosed in their respective currencies below:

	2017		2016	
	Financial Assets	**Financial Liabilities**	Financial Assets	Financial Liabilities
	EUR	**EUR**	EUR	EUR
EUR	**-**	**1,235,152**	205,537	1,414,891
United States Dollar	**25,581**	**3,428**	12,644	3,624
	25,581	**1,238,580**	218,181	1,418,515

Prepayments amounting to EUR 5,933 (2016: EUR 6,004) have not been included in the above financial assets.

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FOR THE YEAR ENDED 31 MARCH 2017

12. Financial instruments and capital management (continued)

12.2 Fair values

The carrying amounts of financial assets and financial liabilities approximate their fair values.

12.3 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares. In the event that the Company requires additional capital, the immediate parent will provide the appropriate financial support to the Company.

13. Related party transactions

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

Name of related party	Nature of relationship	Type of transactions	Movement during the year	Balance 2017	Balance 2016
				EUR	EUR
Transactions during the period					
CFS EUROPE S.P.A	Subsidiary company	Loan receivable	(202,015)	-	202,015
Camlin Fine Sciences Limited	Shareholder	Borrowings	179,739	**(1,235,152)**	(1,414,891)

14. Holding company

The Directors regard Camlin Fine Sciences Limited, incorporated in India as the holding company.

15. Events after the reporting period

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