IIFL Asset Management (Mauritius) Limited

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2021

IIFL Asset Management (Mauritius) Limited

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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IIFL Asset Management (Mauritius) Limited

CORPORATE INFORMATION

		Date of appointment	Date of resignation
Directors	Rohit Kumar	15 January 2019	7 December 2020
	Maharoof Parokkot	15 January 2019	7 December 2020
	Shah Ahmud Khalil Peerbocus	13 November 2020	-
	Sharwan Kumar Moholee	13 November 2020	-
	Amit Garg	31 March 2021	-

Administrator and company secretary	**From 13 November 2020**	**From 1 April 2020 to 12 November 2020**
	SANNE Mauritius	Trident Trust Company (Mauritius) Limited
	SANNE House	5th Floor, Barkly Wharf
	Bank Street	Le Caudan Waterfront
	TwentyEight	Port Louis
	Cybercity	Republic of Mauritius
	Ebène 72201	
	Mauritius	

Registered office:

Sanne House
Bank Street
TwentyEight
Cybercity
Ebène 72201
Mauritius

Bankers:

Standard Chartered Bank (Mauritius) Limited
6th Floor, Standard Chartered Tower
19, Bank Street
Cybercity, Ebène 72201
Republic of Mauritius

Standard Chartered Bank, Singapore
7 Changi Business Park
Crescent, Level 1
Singapore 486028

SBM Bank (Mauritius) Ltd
SBM Tower, 1
Queen Elizabeth II Avenue
Port Louis
Republic of Mauritius

Legal Advisor:

CITILAW
The Fabrique
Sir Virgil Naz Street
Port Louis
Republic of Mauritius

Independent auditors:

KPMG
KPMG Centre
31, Cybercity
Ebène
Republic of Mauritius

IIFL Asset Management (Mauritius) Limited

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

The directors are pleased to present their commentary together with the audited financial statements of IIFL Asset Management (Mauritius) Limited (the "Company") for the year ended 31 March 2021.

Principal activity

The Company holds a CIS Manager license, an Investment Advisor license and Investment Distribution of Financial Products Licence.

Results and dividends

The results for the year are disclosed in the statement of profit or loss and other comprehensive income.
The directors have paid dividend amounting to **USD1,000 000** during the year (31 March 2021: USDNil) to the shareholders.

Directors

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

Statement of directors' responsibilities in respect of financial statements

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed and complied with, 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going concern, and the directors have confirmed that they have complied with the above requirements in preparing the financial statements and have also considered the impact of COVID-19 in preparing the financial statements, refer to note 26 for further details.

Auditors

The auditors, KPMG, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

For and on Behalf of the Board

Sharwan Kumar Moholee
Director

SECRETARY'S CERTIFICATE UNDER SECTION 166 (D) OF THE MAURITIUS COMPANIES ACT

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 **IIFL Asset Management (Mauritius) Limited** under Section 166(d) of the Mauritius Companies Act, for the year ended 31 March 2021.

***for* SANNE Mauritius**
Secretary

Registered Office:

SANNE House
Bank Street
TwentyEight
Cybercity
Ebène 72201
MAURITIUS

Date: **13 May 2021**

IIFL Asset Management (Mauritius) Limited

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors have pleasure in submitting the Company's report on corporate governance.

This report describes the main corporate governance framework and compliance of the Company with the disclosures required under the Code of Corporate Governance for Mauritius ('The Code'). Reasons for non-compliance are provided in the Corporate Governance Report, where applicable.

The eight principles of the Code of Corporate Governance are mentioned below:

- Principle 1 : Governance Structure
- Principle 2 : The Structure of the Board and its Committees
- Principle 3 : Director Appointment Procedures
- Principle 4 : Director Duties, Remuneration and Performance
- Principle 5 : Risk Governance and Internal Control
- Principle 6 : Reporting with Integrity
- Principle 7 : Audit
- Principle 8 : Relations with Shareholders and Other Key Stakeholders

1. Governance Structure

IIFL Asset Management (Mauritius) Limited (the "Company") was incorporated in Mauritius as a company liability limited by shares and is governed by the provisions laid down in the Mauritius Companies Act. The Company holds a Global Business licence issued by the Mauritius Financial Services Commission ("FSC") and has been authorised by the FSC to operate as a CIS Manager to conduct investment management services. The Company also holds an Investment Advisor (Unrestricted) Licence and a Distribution of Financial Products licence both issued by the FSC.

During the financial year under review, the Company has provided only services in relation to distribution financial products.

The Company is managed by a team of 2 executives who are based in Mauritius.

During the year ended 31 March 2021, the Board has assessed the requirements and provisions as specified in the National Code of Corporate Governance for Mauritius (2016) (the "Code") and will continue to take the necessary steps to ensure adherence thereto.

Role of the Board

The Board provides effective leadership and strategic guidance towards the achievement of the Company's strategy within a framework of robust risk management and sound internal controls alongside ensuring adherence of the Company to relevant legislations and policies.

Key responsibilities of the Board

The Board continuously monitors and adapts practices to reflect developments in corporate governance principles to ensure smooth business operations and optimal stakeholder engagement.

1. Governance Structure (continued)

Chairman

At each meeting, a chairman is appointed. The key role and responsibilities are as follows:

- Provides overall leadership to the Board;
- Ensures that the Board is effective in its duties of setting out and implementing the Company's strategy;
- Presides and conducts meetings effectively;
- Ensures that directors receive accurate, timely and clear information; and
- Maintains sound relations with shareholders.

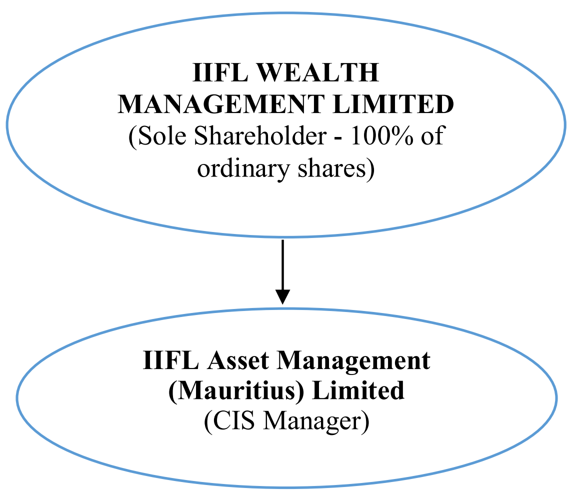
Professional development

The Board reviews the professional development needs of directors during the Board evaluation process and directors are encouraged to develop their skills and expertise continuously. They also receive regular updates on the latest trends and legislative acts affecting the business from management and/or other industry experts.

The Board undertakes regular internal review of the performance as well as effectiveness of the Board. However, as at 31 March 2021, no independent evaluator was appointed to evaluate the performance of the Board considering the size and nature of complexity/sophistication of the Company.

Shareholding structure of the Company

The Company is part of the IIFL group and the holding structure through which control of the Company is exercised is shown below.



IIFL Wealth Management Limited is the holding company which is incorporated in India and during the year ended 31 March 2021, it was listed on the Stock Exchange of India.

During the year ended 31 March 2021, there was neither any corporate transaction nor any change in the corporate structure of the Company.

1. Governance structure (continued)

Board charter

The Board is of the view that the responsibilities of the directors should not be confined in a board charter and has consequently resolved not to adopt a board charter. The Constitution of the Company was adopted at incorporation and is in line with the Mauritius Companies Act. The Constitution sets out rules and regulations which needs to abide along with other local laws and regulations applicable to the Company.

The directors of the Company observe and foster high ethical standards and a strong ethical culture in the Company. Each director is deemed to allocate enough time to discharge their duties effectively.

Board meetings

The Board meets as and when required to discuss significant matters so as to ensure that the directors maintain overall control and supervision of the Company's affairs. The Company Secretary for its part ensures that proper notice of meeting along with the agenda and any other board materials to guide the Board on the various resolutions are circulated to all the directors well before the scheduled time of the meeting.

For the year ended 31 March 2021, sixteen board meetings were held. The below table refers to the Board meeting attendance during the year.

Date of meeting	Mr. Maharoof Parokkot	Mr. Rohit Kumar	Mr. Sharwan Kumar Moholee	Mr. Shah Ahmud Khalil Peerbocus
22 April 2020	✓	✓	N/A	N/A
7 May 2020	✓	✓	N/A	N/A
8 May 2020	✓	✓	N/A	N/A
8 June 2020	✓	✓	N/A	N/A
23 June 2020	✓	✓	N/A	N/A
9 July 2020	✓	✓	N/A	N/A
17 August 2020	✓	✓	N/A	N/A
30 September 2020	✓	✓	N/A	N/A
22 October 2020	✓	✓	N/A	N/A
3 November 2020	✓	✓	N/A	N/A
12 November 2020	✓	✓	N/A	N/A
7 December 2020	✓	✓	✓	✓
15 December 2020	N/A	N/A	✓	✓
31 December 2020	N/A	N/A	✓	✓
11 February 2021	N/A	N/A	✓	✓
31 March 2021	N/A	N/A	✓	✓

2. The Structure of the Board and its Committees

The Company is led by its Board, which has the ultimate responsibility for the overall stewardship and oversight of the organisation. The Board of directors is the Company's supreme governing body and has full power over the affairs of the Company. The Board of directors ensures that the Company operates in accordance with the Company's Constitution, Investment Management Agreements and other agreements in place.

The Company has a unitary board and consist of the below mentioned directors:

Name of directors	Residency	Type	Gender
Mr Maharoof Parokkot	Resident	Executive director (Resigned)	Male
Mr Rohit Kumar	Resident	Executive director (Resigned)	Male
Mr Amit Garg	Non-resident	Executive director	Male
Mr Shah Ahmud Khalil Peerbocus	Resident	Non-executive director	Male
Mr Sharwan Kumar Moholee	Resident	Non-executive director	Male

Messrs Maharoof Parokkot and Rohit Kumar have resigned as directors on 7 December 2020 and Messrs Sharwan Kumar Moholee, Shah Ahmud Khalil Peerbocus and Amit Garg have been appointed as directors during the period under review. The Company has one executive director and two non-executive directors who manage the affairs of the Company. Further, this is strengthened by the presence of independent intermediaries like advisors, administrator as additional safeguards in meeting this principle. In this respect, the Company believes that it is not required to appoint independent directors at this stage. However, the Company will review its position, should there be the need of independent directors. The Board currently consists of male directors only and the presence of female representation on the Board of directors may be considered at a later stage.

Board committees

As the focal point of the corporate governance system, the Board is ultimately responsible and accountable for the performance and affairs of the organisation. Committees are mechanism for assisting the Board and its directors in discharging their duties through a more comprehensive evaluation of specific issues followed by well-considered recommendations to the Board.

Due to the size and nature of the Company, the board has not set up any committee during the year under review.

Directors' profile

Mr Maharoof Parokkot

Maharoof Parokot has more than 14 years' of experience in Indian equity market. Prior to joining the Company as Associate Vice President, Maharoof was working with an Investment Management company in Mauritius as Associate Vice President. His first assignment was with ICICI where he was a team leader for ICICI web trade. Thereafter he joined India Infoline Ltd, Cochin as Area sales manager and moved on IIFL, Dubai as a Relationship Manager. Mr Maharoof Parokkot has resigned as director on 7 December 2020.

Mr Rohit Kumar

Rohit Kumar has over twelve years' experience in equity markets and fund accounting. Rohit has a Master in Business Administration from ICFAI Business School, Hyderabad. Prior to the current role, Rohit was associated with fund houses serving in Investment Management and fund administration functions in Mauritius, catering to the needs of global investment space. Mr Rohit Kumar has resigned as director on 7 December 2020.

2. The Structure of the Board and its Committees (Continued)

Directors' profile (Continued)

Mr Amit Garg

Mr Amit Garg, Principal Head - Global Products, heads the Investment function at IIFL Capital Pte Ltd, Singapore (" IIFL"). He has joined IIFL in Aug 2015. Mr Amit has more than 12 years of experience in advising Global investors on their investments. Prior to IIFL, he was associated with Kotak Mahindra Group and ICICI Bank Limited. Mr. Amit is Chartered Accountant and also holds a MSc in Finance from University of Strathclyde, Glasgow, U.K.

Mr Sharwan Kumar Moholee

Mr Moholee, Manager at SANNE Mauritius ("SM"), holds a BSc (Hons) in Finance with Law from the University of Mauritius. He has been with SM for more than 15 years and has wide-ranging experience in the main areas of the financial services space including tax, administration, accounting, registrar, anti-money laundering, corporate secretarial, FATCA and corporate legal.

Mr Moholee currently co-heads the Collective Investment Scheme ("CIS") Unit at SANNE, a specialised unit servicing open ended/hedge funds. He oversees interalia the Net Asset Value calculation, accounting, registrar, anti-money laundering and administration of licensees under his purview. Prior to joining the CIS Unit, Mr Moholee was supervising a team of staffs handling corporates and trust structures having diversified activities in the financial and non-financial sector and with varying complexity. He serves as director on a number of global business companies, including investment companies and hedge funds.

Mr Shah Ahmud Khalil Peerbocus

KHALIL PEERBOCUS, Manager, is a Fellow of the Association of Chartered Certified Accountants, UK and graduated with a Bachelor of Science in Accounting and Finance (Hons) from the University of Mauritius. Prior to joining SANNE Mauritius (formerly known as International Financial Services Limited) in July 2003, he was with PricewaterhouseCoopers (Mauritius) in the Audit department. He has been with SANNE Mauritius for almost 18 years and has been exposed to the main areas of the industry including legal, tax, administration and corporate secretarial fields. He sits on the Board of a number of global business companies. He currently manages a team with a portfolio 80 companies, including financial services licence entities. He has exposure on administration of domestic companies and recently handling the "Winding up and Liquidation Unit".

3. Director Appointment Procedures

Induction process

The induction of new members consists first of sharing all the constitutive documents of the Company and its customers, a presentation of the investment policy and strategy, a full presentation of the governance structure of the Company and its customers, and a detailed presentation of the portfolio companies of the customer with focus on the main issues of the investee companies including Environmental and Social aspects. Finally, new members are required to disclose any conflict of interest.

The directors are aware that the Code recommends that each director should be elected (or re-elected as the case may be) every year at the Annual Meeting of shareholders. However, at each Annual Meeting of the Company, the directors are reconfirmed to office provided they are willing to continue in office.

None of the directors is over the age of 70 years and as such, no re-election is required in accordance with section 138(6) of the Mauritius Companies Act.

3. Director Appointment Procedures (Continued)

Company secretary

The Company had appointed Trident Trust Company (Mauritius) Limited for provision of secretarial and administration services to the Company. Effective 13 November 2020, SANNE Mauritius has been appointed to provide such services in replacement of Trident Trust Company (Mauritius) Limited.

All directors have access to the advice and services of the Company Secretary. The Company Secretary is responsible to the Board for ensuring proper administration of board proceedings. The Company Secretary also provides guidance to the directors on matters of company law and with regards to their responsibilities in the statutory environment in which the Company operates.

4. Director Duties, Renumeration and Performance

Directors' duties

The directors of the Company are aware of their duties under the Mauritius Companies Act and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business.

The Board meets regularly to discuss and approve the Company's operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making.

The Company Secretary will henceforth facilitate self-evaluation of the Board at regular intervals.

Directors' Interests, conflicts of interest and related party transactions policy

The Directors are aware that they have a duty to inform the Company as soon as they become aware that they are interested in a transaction. The Company Secretary keeps a register of interests and ensures that the latter is updated regularly. The register is also available to the shareholders of the Company upon request of the Company Secretary.

All related party transactions are done on an arms' length basis and are also disclosed in the notes of the financial statements of the Company.

Directors' remuneration

Messrs Maharoof Parokkot and Rohit Kumar, the former directors were full-time officers of the Company and they received a monthly remuneration as per their employment contracts which were approved at different layers before payment was done. Messrs Maharoof Parokkot and Rohit Kumar have resigned as directors of the Company on 7 December 2020. Currently, there are no director fees being paid.

4. Director Duties, Renumeration and Performance (Continued)

Information, information technology and information security governance

With the protection of the confidentiality, integrity and availability of information being critical to the smooth running of our activities, the Company seeks to foster a robust framework that upholds the security and performance of information and IT systems in adherence to regulatory and industry norms. The holding company, IIFL Wealth Management Limited has a website and is available on Google Play and App Store.

5. Risk Management and Internal Control

The Board is responsible for the system of internal control and risk management of the Company. The Board is committed to continuously maintain adequate internal control procedures with a view to safeguard the assets of the Company. Areas with high residual risks are continuously assessed and reviewed. The Board is also responsible for:

- Ensuring that structures and processes are in place to effectively manage risks;
- Identifying the principal risks and uncertainties that could potentially affect the Company;
- Ensuring that management has developed and implemented the relevant framework;
- Ensuring that systems and processes are in place for implementing, maintaining and monitoring internal controls;
- Identifying any deficiencies in the internal control system; and
- Ensuring that whistle-blowing rules and procedures are in place.

The Board has adopted an Internal Control Procedure manual at incorporation and ensures that the internal procedures and processes are adhered to. The Board regularly reviews and assesses the Internal Control Procedure manual of the Company. The Board is open to make amendments to the manual, as and when necessary, in view to make improvements in the internal procedures and processes.

Day to day activities are undertaken by the Secretary/Administrator, SANNE Mauritius (“SM”), which needs to ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place. Hence, the Company relies on the internal controls of SM which are subject to an internal control review and reporting by external auditors. On a yearly basis, an ISAE 3402 Type II Audit is conducted and the latest report was issued on 12 May 2020.

Indemnities and Insurance

A combined Directors’ and officers’ liability Insurance, Professional Indemnity and Crime Insurance policy has been subscribed to by the Company. The policy for the period from 1 July 2020 to 30 June 2021 provides cover for the risks arising out of the acts or omissions of the Directors and Officers of the Company. The cover does not provide insurance against fraudulent, malicious or willful acts or omissions.

6. Reporting with integrity

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations. Mauritius Companies Act requires the directors to prepare financial statements for each financial year in accordance with International Financial Reporting Standards (“IFRS”).

The directors are responsible for keeping adequate accounting records, explaining the Company’s transactions and disclosing with reasonable accuracy and at any time, the financial position of the Company. The directors have the duty to safeguard the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

6. Reporting with integrity (Continued)

The directors have made an assessment and confirms that the Company's financial statements have been prepared on a going concern basis. A set of the financial statements have been tabled for review and approval by the Board of directors, before filing with the Financial Services Commission ("FSC") on an annual basis. Quarterly management accounts are filed with the FSC within 45 days after quarter end.

Environmental impact

Due to the nature of the Company's activities, the Company has no adverse impact on environment, no impact on Health & Safety issues.

7. Audit

With a view to ensuring the overall adequacy of the Company's internal control framework, the Board evaluates the independence and effectiveness of the external auditor on an ongoing basis before making a recommendation on their appointment, retention and removal.

The external auditors are appointed to hold office till the next Annual meeting and there is an automatic re-appointment of the auditors at each Annual Meeting unless the Shareholder or the auditor decides otherwise.

The Board also discusses and reviews, with the external auditor, the engagement letter, audit plan, terms, nature and scope of the audit function, procedure and engagement and audit fee. The Board meets with the external auditors as and when required to discuss any audit related matters.

For the year ended 31 March 2021, KPMG Mauritius was appointed as auditors of the Company and the audit remuneration amounts to **USD10,000** excluding VAT, re-imbursement and any out of pocket expenses.

Due to the size of the Company, nature of its business activities and the fact that the daily administration is being handled by SANNE Mauritius, the Board is of the view that no internal auditor is required at this stage. Should the Board believe that such a function is required, they will appoint an internal auditor.

The Board monitors and evaluates the services of the Administrator from time to time and the Board regularly reviews processes and procedures to ensure the effectiveness of the Company's internal control.

8. Relations with shareholders and other key stakeholders

Responsiveness to shareholder and stakeholder concerns

The Board of directors places great importance on open and transparent communication with its shareholders. The Board stays apprised of shareholder's and stakeholders' opinion in whatever ways are most practical and efficient. The Board keeps the shareholder informed on any material events that may affect the organization.

Twenty one days' notice is given for annual meeting and other shareholder meetings. Appropriate papers of the annual meeting and other shareholder meetings are also provided.

8. Relations with shareholders and other key stakeholders (Continued)

Co-operation with regulatory authorities

The Company adopts a policy of full compliance. Accordingly, the Company responds to any queries or clarifications from the regulatory authorities (Financial Services Commission, Mauritius Revenue Authority and Registrar of Companies). The Company Secretary ensures that the Company is compliant with the Mauritius Companies Act, the conditions of its Global Business License and the tax undertakings.

Dividend policy

The Company do not have any formal dividend policy.

Payment of dividends is subject to the profitability of the Company, cash flow, working capital and capital expenditure requirements.

For the year under review, dividend of **USD1,000,000** was paid by the Company (31 March 2020: USDNil).

DIRECTORS' STATEMENT OF COMPLIANCE WITH NATIONAL CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31 MARCH 2021

Throughout the year ended 31 March 2021, to the best of the Board's knowledge, the Company has complied with the Code. The Company has applied all of the principles set out in the Code and explained how these principles have been applied.

Sharwan Kumar Moholee
Director

Date: 13 May 2021

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Website www.kpmg.mu

INDEPENDENT AUDITORS’ REPORT
TO THE MEMBER OF IIFL ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial statements

Opinion

We have audited the financial statements of IIFL Asset Management (Mauritius) Limited (the Company), which comprise the statement of financial position as at 31 March 2021 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 19 to 52.

In our opinion, these financial statements give a true and fair view of the financial position of IIFL Asset Management (Mauritius) Limited as at 31 March 2021, 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 the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Corporate information, Commentary of the Directors, Secretary's certificate, Corporate governance report and Directors’ statement of compliance with National Code of Corporate Governance, but does not include the financial statements and our auditors' report thereon.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IIFL ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial statements (continued)

Other information (continued)

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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IIFL ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial statements (continued)

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 scepticism 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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IIFL ASSET MANAGEMENT (MAURITIUS) LIMITED

Report on the Audit of the Financial statements (continued)

Use of our report

This report is made solely to the Company's member, 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 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 member, 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 and tax advisors.

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

KPMG
Ebène, Mauritius

Christo Smith
Licensed by FRC

Date: **13 May 2021**

IIFL Asset Management (Mauritius) Limited

Statement of financial position
As at 31 March 2021

	Note	2021	2020
		USD	USD
Assets			
Non-current assets			
Equipment	13	**-**	2,980
Right-to-use assets	18	**-**	3,792
Total non-current assets		**-**	6,772
Current assets			
Financial assets at fair value through profit or loss	15	**-**	1,133,021
Trade receivables	8	**316,863**	624,076
Prepayment and other receivables	9	**2,064**	19,271
Cash and cash equivalents	7	**1,618,823**	4,482,363
Total current assets		**1,937,750**	6,258,731
Total assets		**1,937,750**	6,265,503
Equity and liabilities			
Equity			
Stated capital	22	**69,975**	69,975
Retained earnings		**1,845,694**	2,734,542
Total equity		**1,915,669**	2,804,517
Liabilities			
Current liabilities			
Trade and other payables	21	**22,081**	3,460,986
Total equity and liabilities		**1,937,750**	6,265,503

Approved and authorised for issue by the Board of Directors on 13 May 2021 and signed on its behalf by:

……………………………..
Sharwan Kumar Moholee
Director

…………………………………..
Shah Ahmud Khalil Peerbocus
Director

The notes on pages 23 to 52 form an integral part of these financial statements.

IIFL Asset Management (Mauritius) Limited

Statement of profit or loss and other comprehensive income

for the year ended 31 March 2021

	Note	**2021**	2020
		USD	USD
Revenue			
Income from operations	16	**516,139**	1,594,807
Net (loss)/gain on financial assets at fair value through profit or loss	15	**(101,626)**	180,606
Total revenue		**414,513**	1,775,413
Operating expenses			
Salaries and allowances		**20,209**	255,347
Referral, marketing expenses and distribution fees	17	**7,822**	238,556
Professional expenses		**36,960**	7,283
Incentive fee		**-**	15,588
Rent expenses		**4,345**	1,730
Audit fees		**11,845**	13,345
Finance costs		**8**	28,422
Fund running expenses		**16,339**	500,681
Depreciation on: Equipment	13	**1,260**	2,712
Right-to-use assets	18	**3,792**	11,423
Business support expenses	19	**-**	5,900,000
Capital work-in-progress written off	14	**-**	81,818
Fixed assets written off		**1,720**	-
Impairment loss	5(c)	**(90,768)**	101,044
Debtor written off	23	**266,000**	-
Other operating expenses		**23,829**	983,765
Total operating expenses		**303,361**	8,141,714
Profit/(loss) before taxation		**111,152**	(6,366,301)
Taxation	10	**-**	(232)
Profit/(loss) for the year		**111,152**	(6,366,533)
Total comprehensive income attributable to:			
Owner of the Company		**111,152**	(6,366,533)

The notes on pages 23 to 52 form an integral part of these financial statements

IIFL Asset Management (Mauritius) Limited

Statement of changes in equity
for the year ended 31 March 2021

	Stated capital USD	Retained earnings USD	Total USD
Balance as at 1 April 2019	69,975	9,101,075	9,171,050
Total comprehensive income for the year	-	(6,366,533)	(6,366,533)
Balance as at 31 March 2020	69,975	2,734,542	2,804,517
Balance as at 1 April 2020	**69,975**	**2,734,542**	**2,804,517**
Total comprehensive income for the year	**-**	**111,152**	**111,152**
Transaction with the owner of the Company, in its capacity as owner:			
Dividend distribution	**-**	**(1,000,000)**	**(1,000,000)**
Balance as at 31 March 2021	**69,975**	**1,845,694**	**1,915,669**

The notes on pages 23 to 52 form an integral part of these financial statements.

IIFL Asset Management (Mauritius) Limited

Statement of cash flows

for the year ended 31 March 2021

	Notes	2021	2020
		USD	USD
Cash flows from operating activities			
Profit/(loss) before taxation		**111,152**	(6,366,301)
Adjustments for:			
Depreciation (equipment and right-to-use assets)	13,18	**5,052**	14,135
Impairment loss	5(c)	**(90,768)**	101,044
Debtor written off	23	**266,000**	-
Net (loss)/gain on financial assets at fair value through profit or loss	15	**101,626**	(180,606)
Reversal of withholding tax	15	**(14,724)**	-
Interest income		**-**	(23,802)
Finance costs		**8**	28,422
Capital work-in-progress written off	14	**-**	81,818
Fixed assets written off		**1,720**	-
Changes in:			
Trade receivables		**131,981**	3,283,509
Prepayments and other receivables		**17,207**	41,641
Other payables		**(3,432,186)**	2,773,952
		(2,902,932)	(246,188)
Taxation paid	10(a)	**-**	(150,159)
Net cash (used in)/generated from operating activities		**(2,902,932)**	(396,347)
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss	15	**(150,000)**	(519,788)
Disposal of financial assets at fair value through profit or loss	15	**1,196,119**	626,756
Net proceeds from return of capital	15	**-**	114,568
Advance paid towards capital work-in-progress	14	**-**	(45,000)
Interest income received		**-**	23,802
Net cash generated from investing activities		**1,046,119**	200,338
Cash flows from financing activities			
Loan received		**-**	2,900,000
Loan repaid		**-**	(2,900,000)
Interest expenses paid		**-**	(28,422)
Lease payments	18	**(6,727)**	(8,496)
Dividend distribution paid	22	**(1,000,000)**	-
Net cash used in financing activities		**(1,006,727)**	(36,918)
Net change in cash and cash equivalents		**(2,863,540)**	(232,927)
Cash and cash equivalents at beginning of the year		**4,482,363**	4,715,290
Cash and cash equivalents as at end of the year	7	**1,618,823**	4,482,363

The notes on pages 23 to 52 form an integral part of these financial statements

1. General

IIFL Asset Management (Mauritius) Ltd (the "Company") was incorporated as a private company limited by shares in the Republic of Mauritius on 15 December 2010 under the name of IIFL Private Wealth (Mauritius) Ltd and was granted a Category 1 Global Business Licence on 16 December 2010. The Company changed name on 16 September 2016. The Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebène 72201, Mauritius.

The Company is a holder of a Category 1 Global Business License under the Mauritius Companies Act and the Financial Services Act 2007. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, the Company has chosen to retain the United States dollar ("USD") as its reporting currency.

The Company holds a CIS Manager license, an Investment Advisor license and Investment Distribution of Financial Products Licence.

The principal activity of the Company is to act as a CIS Manager and to provide Investment Management and Advisory services to the Funds. However, the Company has ceased its activity as a CIS Manager to the Funds as from 19 July 2019. But the Company will continue to provide advisory and distribution services to its overseas funds.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in compliance with the Mauritius Companies Act and in accordance with International Financial Reporting Standards ("IFRS") and the interpretations adopted by the International Accounting Standards Board ("IASB"). The financial statements were authorised for issue by the Board of directors on date stamped on page 19.

(b) Basis of measurement

The financial statements have been prepared on the going concern principle using the historical cost basis, except for financial assets at fair value measured at fair value through profit or loss under IFRS 9.

(c) Functional and presentation currency

Functional currency is the currency of primary economic environment in which the Company operates. When indicators of the primary economic environment are mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect to the underlying transactions, event and conditions. Management has determined that the denominated functional currency of the Company is USD. The majority of Company's transactions are denominated in USD.

The financial statements are thus prepared in USD which is the functional currency of the Company. Transaction and balance in other currencies are translated into reporting currency for presentation in these financial statements.

2. Basis of preparation (Continued)

(d) Use of judgements and estimates

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in Note 4.

(e) Going concern

Based on the estimation of future cash flows and liquidity analysis, management is of the view that the Company has sufficient liquidity and assets to meet its liabilities for at least the next 12 months from date of approval of the financial statement and that the preparation of the financial statements on a going concern basis remains appropriate as the Company is able to meet its obligations as and when they fall due for the foreseeable future. Management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

Management has also considered the impact due to the breakdown of COVID-19 to the Company's financial statements while making this assessment. Therefore, the financial statements continue to be prepared on the going concern basis.

(f) New standards, amendments and interpretations adopted during the year

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

Definition of Material (Amendments to IAS 1 and IAS 8)

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 IASB has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

This amendment did not have any impact on the financial statements of the Company.

2. Basis of preparation (Continued)

(f) New standards, amendments and interpretations adopted during the year (Continued)

Amendments to References to Conceptual Framework in IFRS Standards

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

This amendment did not have any impact on the financial statements of the Company.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements except for new standards, amendments and interpretations adopted during the year as disclosed in Note 2(f).

(a) Revenue recognition

The Company recognises revenue primarily from management and advisory fees. Revenue is measured based on the consideration specified in a contract with customer. The Company recognises revenue when it transfers control over a service to a customer.

The five step model for revenue recognition is as follows:

- Identify the contract with customers;
- Identify the performance obligations in the contract;
- Determine the transaction price of the contract;
- Allocate the transaction price to each performance obligations in the contracts; and
- Recognise revenue as each performance obligation is satisfied.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers, including significant payment terms, and the related accounting policies:

3. Significant accounting policies (Continued)

(a) Revenue recognition (Continued)

Type of service	**Source of revenue**	**Nature, timing of satisfaction of performance obligations, significant payment terms**
Investment management services	Management Fees	The Company had entered into Investment Management Agreement to provide investment management services to funds and are entitled to Management fees. These are calculated on the applicable percentage rates based on the applicable Net Asset Values of the Fund as stipulated in the Investment Management Agreement between the Company and the Fund (Daily, Weekly and Monthly). Management fees are recognised on an accrual basis in accordance with the respective agreements between the Company and the Funds. The Management Fees are payable at start of the subsequent month. However, the Company has terminated the Investment Management Agreement as from 19 July 2019 and thus the Company is not rendering the Investment Manager activity to the Funds with effect from 19 July 2019. The income generated from the Management fees has decreased as compared to the year ended 31 March 2020.
Distribution services	Distribution fees	The distribution fee income is recognised over time in line with the provisions of distribution agreement on completion of the services rendered in accordance with the agreement between the Company and the parties.

Net movement from financial instruments at fair value through profit or loss

Net movement from financial instruments at fair value through profit or loss (FVTPL) includes all realised and unrealised fair value changes and foreign exchange differences.

Net realised movement from financial instruments at fair value through profit or loss is calculated using the First-In First Out method.

Interest income

Interest income on financial assets at amortised cost are recognised in profit or loss, using the effective interest method.

(b) Taxation

The tax expense for the year comprises current, withholding and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred 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.

3. Significant accounting policies (Continued)

(b) Taxation (Continued)

Deferred tax is not recognised for:

- temporary difference 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;

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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.

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

(c) Foreign currency translation

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

(d) Financial assets and financial liabilities

(i) Recognition and initial measurement

The company initially recognises trade receivables when they are originated. All other financial assets and financial liabilities are initially recognised when the Company does becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss "FVTPL", transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

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 Payment of Principal and Interest ("SPPI).

All other financial assets of the Company are measured at FVTPL.

3. Significant accounting policies (Continued)

(d) Financial assets and financial liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

The Company classifies its financial assets as:

- Financial assets measured at FVTPL: Investments in equity securities.
- Financial assets measured at amortised cost: cash and cash equivalent, trade and other receivables.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This include whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and trade and other receivables excluding prepayments. These financial assets are held to collect contractual cash flows.
- Other business model: this includes investments in equity securities. These financial assets are managed, and their performance is evaluated, on a fair value basis, with frequent transactions taking place.

Assessment whether contractual cash flows are solely payments of principal and interest (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;

3. Significant accounting policies (Continued)

(d) Financial assets and financial liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

- 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.

Financial assets: Subsequent measurement

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Cash and cash equivalents, trade and other receivables are included under this category.

Financial assets at fair value through profit or loss: These assets are subsequently measured at fair value. Net gains and losses are disclosed separately on the face of the statement of profit or loss and other comprehensive income. Realised gain is computed by subtracting cost of investment from the sale proceeds and cost of investment is calculated using the First In First Out (FIFO) method. Investments in equity securities are included under this category.

Classification and subsequent measurement of financial liabilities

Financial liabilities at amortised cost

This category includes all financial liabilities, at amortised cost. The Company includes in this category trade and other payables. These are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) 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 on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

3. Significant accounting policies (Continued)

(d) Financial assets and financial liabilities (Continued)

(iv) 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 input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participant 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 period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Company has used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date.

v) Impairment

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

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

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.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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 realising security (if any is held); or
- the financial asset is more than 90 days past due.

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

3. Significant accounting policies (Continued)

(d) Financial assets and financial liabilities (Continued)

v) Impairment (Continued)

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;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

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.

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. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(vi) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

3. Significant accounting policies (Continued)

(d) Financial assets and financial liabilities (Continued)

(vi) Derecognition (Continued)

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

There is no offsetting of financial instruments applied as on reporting date in the statement of financial position.

(viii) Specific instruments

<u>Cash and cash equivalents</u>

Cash comprises deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment.

(e) Stated capital

Ordinary shares

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

(f) Expenses

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

3. Significant accounting policies (Continued)

(g) Equipment

Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an equipment has different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognised net within "other income" in statement of profit or loss and other comprehensive income.

Subsequent costs

The costs of replacing part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and the cost can be measured reliably. The costs of the day-to-day servicing of the equipment are recognised in statement of profit or loss.

Depreciation

Depreciation is recognised in statement of profit or loss and other comprehensive income on a straight line method basis over the estimated useful lives of each part of an item of equipment.

The useful lives for the purpose of calculating depreciation charge are as follows:

Computer equipment	3 years
Office equipment	5 years
Furniture	5 years
Electrical equipment	5 years
Right-to-use assets	5 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate

(h) ***Leases***

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3. Significant accounting policies (Continued)

(h) *Leases (Continued)*

- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 April 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of property the Company has elected not to separate non-lease components (i.e. electricity and maintenance) and account for the lease and associated non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Significant accounting policies (Continued)

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the ''10 percent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. Also, the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The directors do not expect significant impact of the above amendment on the financial statements.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date. The directors do not expect significant impact of the amendment on the financial statements.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is the determination of functional currency (refer to note 2c).

4. Use of judgements and estimates (Continued)

B. Assumptions and estimates uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities for the year ended 31 March 2021 is included in the Note 5 and relates to the determination of fair value of financial instruments as well as determination of the Expected Credit Loss (ECL).

5. Financial instruments and risk management

(a) Exposure

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(b) Risk management structure

The Company maintains positions in non-derivative financial instruments in accordance with its investment management strategy. The Company's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the activities of the Investment Manager and is ultimately responsible for the overall risk management approach within the Company.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. It arises principally from financial assets at fair value through profit or loss, cash and cash equivalents, trade receivables and other receivables.

(i) Management of credit risk

The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties meeting the credit risk standards set out in the Company's prospectus. Credit risk is monitored on an ongoing basis by the Investment Manager in accordance with policies and procedures in place and is reported to the Board of Directors.

5. Financial instruments and risk management (Continued)

(c) Credit risk (Continued)

(i) Management of credit risk (Continued)

The Company manages its exposure to credit risk by dealing with counterparties that has a good credit rating and group companies. Management does not expect related parties to fail to meet its obligations. The credit risk is monitored on an ongoing basis in accordance with policies and procedures in place and is reported to the Board of Directors.

The cash and cash equivalents are held with Standard Chartered Bank (Mauritius) Limited, Standard Chartered Bank (Singapore) Limited and SBM Bank (Mauritius) Ltd. Standard Chartered Bank (Mauritius) Limited and Standard Chartered Bank (Singapore) Limited, which are wholly owned subsidiaries of Standard Chartered Bank Plc, had a short term issuer credit rating of A-2 from Standard and Poor's Investor Services. SBM Bank (Mauritius) Ltd has a short term issuer credit rating of Not-Prime and a long term credit rating of Ba1 from Moody's Investor Services.

(ii) Exposure to credit risk

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2021	2020
	USD	USD
Trade receivables	**316,863**	624,076
Other receivables	**-**	14,724
Cash and cash equivalents	**1,618,823**	4,482,363
	1,935,686	5,121,163

Prepayment of **USD 2,064** (31 March 2020: USD 4,547) has been excluded from the financial assets.

Ageing of trade receivables that were impaired in 2021 and 2020

	2021		2020	
	Gross carrying amount	**Expected credit losses**	Gross carrying amount	Expected credit losses
	USD	**USD**	USD	USD
1-90 days past due	**176,501**	**270**	199,223	-
91-180 days past due	**92,373**	**158**	27,403	-
More than 181 days past due	**58,265**	**9,848**	498,494	101,044
	327,139	**10,276**	725,120	101,044

5. Financial risk review and risk management (continued)

(c) Credit risk (continued)

(ii) Exposure to credit risk (Continued)

Expected Credit Loss ("ECL") assessment

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs. In calculating the loss allowance, a provision matrix has been used based on historical observed loss rated over the expected life of the receivables adjusted for forward-looking estimates.

Amounts arising from ECL

Impairment on cash and cash equivalents and other receivables has been measured on a 12-month expected losses basis and reflects the short maturities of the exposures. The expected credit losses on cash and cash equivalents and other receivables was not material for the year ended and hence not recognised. The following was however written off during the year given that the Company has assessed that there is uncertainty in recovering the balance.

	2021	2020
	USD	USD
Balance at 1 April	**624,076**	4,008,629
Movement during the year	**(397,981)**	(3,283,509)
ECL provision movement	**90,768**	(101,044)
Closing balance at 31 March	**316,863**	624,076

The Company monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Company supplements this by reviewing available press and regulatory information about counterparties.

12-months and lifetime probabilities of default are based on historical data and the liquid assets available as at reporting date.

	Life time ECL	
	Not credit-impaired 2021	Not credit-impaired 2020
	USD	USD
Balance at 1 April	**725,120**	4,008,629
Movement during the year	**(397,981)**	(3,283,509)
Closing balance at 31 March	**327,139**	725,120

An ECL of **USD10,276** (2020: USD 101,044) in respect of trade receivables was recognised. Cash and cash equivalents amounting to **USD1,618,823** (2020: USD 4,482,363) have not been included in the ageing. The expected credit loss on cash and cash equivalents is not significant due to its low credit risk.

5. Financial risk review and risk management (continued)

(c) Credit risk (continued)

(ii) Exposure to credit risk (continued)

The maximum exposure to credit risk for financial assets at the reporting date by geographic region is as follows:

	2021	2020
	USD	USD
Domestic	**1,513,455**	4,371,541
India	**261,446**	409,156
Bermuda	**-**	164,956
Singapore	**160,785**	175,510
	1,935,686	5,121,163

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity risk of the Company is monitored on a timely basis by the directors.

The Company maintains sufficient balance with banks to cater its day to day working capital needs. Besides, the Company also enjoys adequate financial support from its holding company.

The table above shows the undiscounted cash flows of the Company's financial liabilities on the basis of their earliest possible contractual maturity.

Non-derivative financial liabilities

	Contractual cash flows	**On call**	**Less than one year**
	USD	**USD**	
31 March 2021			
Other payables	**22,081**	**-**	**22,081**
31 March 2020			
Trade and other payables	3,460,986	3,363,939	97,047

(e) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instruments. The Company's exposure to market risk is determined by a number of factors, including market volatility, interest rates and foreign currency exchange rates. The Company's strategy for market risk is driven by the Company's investment objective. The Company's market risk and the market positions are managed on a daily basis by the Investment Manager in accordance with the policies and procedures in place.

5. Financial risk review and risk management (continued)

(e) Market risk (Continued)

(i) Interest rate risk

Exposure to interest rate risk

The Company is exposed to the risk that the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. In respect of the Company's interest-bearing financial instruments, the Company's policy is to transact in financial instruments that mature or reprice in the short-term, i.e. no longer than 12 months. Accordingly, the Company would be subject to limited exposure to fair value or cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates.

A change in interest rate will not have a significant impact on the financial statements.

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities that are denominated in currencies other than the USD. Accordingly, the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the Company will necessarily be subject to foreign exchange risks.

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

	Financial assets	**Financial liabilities**	Financial assets	Financial liabilities
	31 March 2021		31 March 2020	
	USD	**USD**	USD	USD
United States Dollar (USD)	**1,671,166**	**22,081**	5,839,099	3,448,391
Indian Rupees (INR)	**261,446**	**-**	409,156	-
Mauritius Rupees (MUR)	**3,074**	**-**	5,929	8,990
Swiss Franc (CHF)	**-**	**-**	-	3,605
	1,935,686	**22,081**	6,254,184	3,460,986

Prepayments of **USD 2,064** (31 March 2020: USD4,547), equipment of **USD Nil (**2020: USD 2,980) and right-to-use asset of **USD Nil** (31 March 2020: USD 3,792) have been excluded from the financial assets.

Sensitivity analysis

The following table indicates the approximate change in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date. The Company is mainly exposed to the Indian rupee.

5. Financial risk review and risk management (continued)

(e) Market risk (Continued)

(ii) Currency risk (continued)

Sensitivity analysis (continued)

The below increase and decrease in the USD against each relevant foreign currency is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	Percentage	Effect on changes in equity	
		2021	2020
		USD	USD
Increase in INR	**3%** (2020: 9%)	**(7,615)**	(33,784)
Decrease in INR	**3%** (2020: 9%)	**8,086**	40,466

	Percentage	Effect on changes in equity	
		2021	2020
		USD	USD
Increase in MUR	**4%** (2020: 16%)	**(378)**	422
Decrease in MUR	**4%** (2020: 16%)	**500**	(583)
Increase in CHF	(2020:4%)	**-**	(150)
Decrease in CHF	(2020:4%)	**-**	139

(iii) Price risk

Price risk is the risk of unfavourable changes in fair values of mutual funds as a result of changes in the value of individual shares.

Management has determined that a fluctuation of 2% in the unobservable input is reasonably possible considering the economic environment in which the investee companies operate.

The sensitivity analysis below has been determined based on the exposure to fund price risks at the reporting date. The analysis is based on the assumption that the fair value had increased/decreased by 2% with all other variables held constant. If fund prices had been 2% higher/lower, the effect on net profit and equity for the year ended would have been as follows:

	Increase/ decrease in funds price	Effect on profit before tax and equity	
		2021	2020
		USD	USD
Change in share price	+2%	**-**	22,660
	-2%	**-**	(22,660)

5. Financial risk review and risk management (continued)

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers and from external factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its investment objective of generating returns to investors. The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors.

6. Fair values of financial instruments

(i) Valuation models

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: inputs that are quoted market prices (unadjusted) in active markets for asset or liability.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes asset or liability valued using: quoted market prices in active markets for similar asset or liability; quoted prices for identical or similar asset or liability in markets that are considered less than active; or other valuation technique in which all significant inputs are directly or indirectly observable from market data.

- Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs). This category includes all assets or liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the investment's valuation. This category includes asset or liability that are valued based on the quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the asset or liability.

The objective of valuation technique is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

(ii) Fair value hierarchy – Financial instruments measured at fair value

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

6. Fair values of financial instruments (continued)

(ii) Fair value hierarchy – Financial instruments measured at fair value (continued)

	Level 1	**Level 2**	**Level 3**	**Total**
	USD	**USD**	**USD**	**USD**
31 March 2021				
Financial assets at fair value through profit or loss				
Fund investments, unlisted	**-**	**-**	**-**	**-**

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
31 March 2020				
Fund investments, unlisted	-	-	1,133,021	1,133,021

The Company has invested in funds which are not quoted in an active market. Investments in those funds are valued based on the Net Asset Value ("NAV") per share published by the Administrator of those funds. All investments have been disposed during the year under review.

(iii) Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value and hence no fair value hierarchy disclosure has been made in the financial statements.

7. Cash and cash equivalents

Cash and cash equivalents represent the current account balances maintained with Standard Chartered Bank (Mauritius) Limited, Standard Chartered Bank (Singapore) Limited and SBM Bank (Mauritius) Ltd amounting to **USD1,618,823** (31 March 2020: USD4,482,363). An amount of 22,000 Mauritian Rupees has been given as guarantee on the State Bank of Mauritius Ltd account.

	2021	2020
	USD	USD
Standard Chartered Bank (Mauritius) Limited	**1,454,963**	4,315,648
Standard Chartered Bank (Singapore) Limited	**160,786**	160,786
SBM Bank (Mauritius) Ltd	**3,074**	5,833
Cash in hand	**-**	96
	1,618,823	4,482,363

8. Trade receivables

	2021	2020
	USD	USD
Management fees receivable	**-**	197,028
Distribution fees receivable	**327,139**	528,092
Advisory fees receivable	**-**	-
	327,139	725,120
Impairment loss	**(10,276)**	(101,044)
	316,863	624,076

9. Prepayment and other receivables

	2021	2020
	USD	USD
Other prepaid expenses	**2,064**	4,547
Other receivables	**-**	14,724
	2,064	19,271

10. Taxation

The Company holds a Category 1 Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities.

In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of the income of the Company from tax in Mauritius, with the remaining 20% of the income to be subject to a 15% tax, resulting in effective tax rate on of 3%.

The Company is centrally managed and controlled from Mauritius and is hence tax resident in Mauritius. It holds a valid Tax Residence Certificate from the Mauritius Revenue Authority which is renewable on an annual basis subject to meeting certain conditions.

(a) Income tax

	2021	2020
Reconciliation of effective taxation:	**USD**	USD
Profit /(loss) before taxation	**111,152**	(6,366,301)
Income tax at 15%	**16,673**	(954,945)
Non allowable expenses on depreciation, bad debts and other expenses	**56,027**	17,710
Non-taxable income on reversal of impairment loss	**(13,615)**	(13,758)
Exempt income arising on disposal of investments	**(24,103)**	(16,551)
Tax adjustment from previous year	**-**	232
Deferred tax asset not recognised	**-**	967,544
Accumulated tax losses used	**(34,982)**	-
Tax charged for the year	**-**	232

10. Taxation (continued)

(a) Income tax (continued)

	2021	2020
	USD	USD
Current tax liability		
Tax due at beginning of year	**-**	149,927
Tax charges	**-**	-
Tax adjustment from previous year	**-**	232
Tax payment	**-**	(150,159)
Tax due at end of year	**-**	-

(b) Total tax charge

	2021	2020
	USD	USD
Current tax expense:		
Taxation charge	**-**	232

The Company has not recognised a deferred tax asset on the estimated tax losses of **USD6,225,576** (31 March 2020: USD6,458,788) due to uncertainty with regards to the Company's ability to generate future taxable income in the near future. The accumulated tax loss of **USD6,225,576** (31 March 2020: USD6,458,788) can be carried forward for set-off against income derived in the income years 2022, 2023, 2024 and 2025.

11. Contingent liabilities and capital commitments

There are no other contingent liabilities as at 31 March 2021 (31 March 2020: Nil).

12. Capital risk management

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger Group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the Group's capital management objectives. Being the holder of a CIS Manager license and an Investment Advisor (Unrestricted) Licence, the Company is required under the Securities Act 2005 and Securities (Collective Investment Schemes and Closed End Funds) Regulations 2008 to maintain a minimum unimpaired capital of MUR1,000,000 and MUR600,000 respectively. The Company has an unimpaired stated capital of **USD1,915,669** (31 March 2020: USD2,804,517) at reporting date, which complies with the minimum required amount as at 31 March 2021.

The Company defines "Capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group companies are not regarded by the Company as Capital. The capital structure of the Company as at 31 March 2021 was made up of stated capital and retained earnings.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the Group. The results of the Directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

13. Equipment

	Computer equipment	Office equipment	Furniture	Electrical equipment	Total
	USD	USD	USD	USD	USD
Cost					
At 1 April 2019	26,454	4,582	2,046	66	33,148
Additions	-	-	-	-	-
At 31 March 2020	26,454	4,582	2,046	66	33,148
At 1 April 2020	**26,454**	**4,582**	**2,046**	**66**	**33,148**
Additions	**-**	**-**	**-**	**-**	**-**
Disposal	**26,454**	**4,582**	**2,046**	**66**	**33,148**
At 31 March 2021	**-**	**-**	**-**	**-**	**-**
Depreciation					
At 1 April 2019	22,217	4,393	823	23	27,456
Charge for the year	2,197	173	329	13	2,712
At 31 March 2020	24,414	4,566	1,152	36	30,168
At 1 April 2020	**24,414**	**4,566**	**1,152**	**36**	**30,168**
Charge for the year	**1,045**	**15**	**192**	**8**	**1,260**
Write off	**(25,459)**	**(4,581)**	**(1,344)**	**(44)**	**(31,428)**
At 31 March 2021	**-**	**-**	**-**	**-**	**-**
Net book values					
At 31 March 2020	2,040	16	894	30	2,980
At 31 March 2021	-	-	-	-	-

14. Capital work-in-progress

	2021	2020
	USD	USD
Opening balance	**-**	36,818
Advance for installation of customised solution	**-**	45,000
Written off	**-**	(81,818)
	-	-

The Company was being considered to provide sophisticated features to the operating IT. However, during the testing phase, it was realised that the software required significant enhancements and customisation and much larger outlay than originally estimated. Hence, the project was stopped and amounts outstanding in capital work-in-progress against the said project has been written off in the prior year.

15. Financial assets at fair value through profit or loss

	2021	2020
	USD	USD
Fund investments; *unquoted*	**-**	1,133,021
Balance at beginning of the year	**1,133,021**	1,188,675
Additions during the year	**150,000**	519,788
Reversal of Withholding tax	**14,724**	-
Return of capital	**-**	(129,292)
Disposals during the year	**(1,196,119)**	(626,756)
Balance at end of the year	**101,626**	952,415
Net (loss)/gain on fair value of financial assets held at fair value through profit or loss	**(101,626)**	180,606
Fair value at end of the year	**-**	1,133,021

16. Income from operations

	2021	2020
	USD	USD
Management fees	**-**	465,107
Distribution fees	**516,139**	1,105,898
Interest income	**-**	23,802
	516,139	1,594,807

17. Referral fees

	2021	2020
	USD	USD
Referral fees	**7,822**	238,556

18. Leases

Lease as lessee

The Company leases office space. On 1 August 2012, the Company entered into a lease agreement with Trident Trust Company (Mauritius) Limited ("Trident"). Lease payments are renegotiated annually to reflect market rentals. Following change in Administrator of the Company to SANNE Mauritius during the year under review, the lease agreement along with its relevant addendums was terminated with effective from 1 August 2020.

18. Leases (continued)

(i) Right-to-use assets

Right-to-use assets related to leased properties that do not meet the definition of investment property.

	2021	2020
	USD	USD
Balance at start	**3,792**	-
Additions to right-to-use assets	**-**	15,215
Depreciation	**(3,792)**	(11,423)
Balance at end	**-**	3,792

(ii) Amounts recognised profit or loss

	2021	2020
	USD	USD
Interest on lease liabilities	**8**	153
Expenses related to short term leases	**-**	-

(iii) Lease liabilities

Maturity analysis – contractual undiscounted cash flows	**2021**	2020
	USD	USD
Less than one year	**-**	6,727
One to five years	**-**	-
More than five years	**-**	-
Total undiscounted lease liabilities	**-**	6,727

Lease liabilities included in the statement of financial position at 31 March	**2021**	2020
	USD	USD
Current	**-**	6,719
Non-current	**-**	-

Amount recognised in the statement of cash flows	**2021**	2020
	USD	USD
Total cash outflow for lease	**6,727**	8,496

19. Business support expenses

The Company entered into a Service Agreement dated 18 October 2019 with IIFL Capital Pte. Ltd effective from 1 April 2019. IIFL Capital Pte. Ltd was to provide business support/advisory services to the Company from time to time. No fee was paid for the year ended 31 March 2021 (31 March 2020: USD5,900,000).

20. Classification of financial assets and financial liabilities

The following table analyses the classifications of the financial assets and liabilities under IFRS 9 for the year ended 31 March 2021:

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
31 March 2021	**USD**	**USD**	**USD**	**USD**
Financial assets				
Cash and cash equivalent	**-**	**1,618,823**	**-**	**1,618,823**
Other receivables	**-**	**-**	**-**	**-**
Trade receivables	**-**	**316,862**	**-**	**316,862**
Financial assets at fair value through profit or loss	**-**	**-**	**-**	**-**
	-	**1,935,685**	**-**	**1,935,685**
Financial liabilities				
Trade and other payables	**-**	**-**	**22,081**	**22,081**
31 March 2020				
Financial assets				
Cash and cash equivalent	-	4,482,363	-	4,482,363
Other receivables	-	14,724	-	14,724
Trade receivables	-	624,076	-	624,076
Financial assets at fair value through profit or loss	1,133,021	-	-	1,133,021
	1,133,021	5,121,163	-	6,254,184
Financial liabilities				
Trade and other payables	-	-	3,460,986	3,460,986

The financial instruments not accounted for at fair value through profit or loss and amortised cost are short-term financial assets and liabilities whose carrying amounts approximate fair value.

21. Trade and other payables

	2021	2020
	USD	USD
Referral fees	**-**	94,647
Other payables (see below)	**-**	3,262,573
Accrued expenses	**22,081**	97,047
Lease liability (Note 18 (iii))	**-**	6,719
	22,081	3,460,986

Other payables are paid as and when they fall due.

22. Stated capital

	2021	2020
	USD	USD
69,975 Ordinary shares of USD 1 each, fully paid	**69,975**	69,975

The stated capital of the Company comprise of ordinary shares of USD 1 each and each share shall have equal rights on distribution of income and capital.

The entire ordinary shares are held by IIFL Wealth Management Limited.

For the year under review, dividend of **USD1,000,000** was paid by the Company (31 March 2020: USDNil).

23. Bad debt written off

During the year under review, the Board of directors has agreed to waive an amount of **USD266,000** (2020:USDNil) representing receivable from Global Macro Asset Management Limited following its voluntary liquidation.

24. Related party transactions and balances

The Company, in the normal course of business, enters into transactions with companies that fall within the definition of a 'related party'.

During the year ended 31 March 2021, the Company had the following related parties:

Name of related party	**Nature of relationship**
IIFL Wealth Management Limited	Parent company
IIFL Inc	Fellow Subsidiary
IIFL Private Wealth Management (Dubai) Limited	Fellow Subsidiary
IIFL Capital Pte. Ltd	Fellow Subsidiary
IIFL Private Wealth Hongkong Ltd	Fellow Subsidiary
IIFL Wealth (UK) Ltd	Group Company
IIFL Securities Pte Ltd	Fellow Subsidiary
Rohit Kumar	Director (Resigned on 7 December 2020) – Key Management Personnel ("KMP")
Maharoof Parokkot	Director (Resigned on 7 December 2020) – Key Management Personnel ("KMP")
SANNE Mauritius	Administrator
Trident Trust Company (Mauritius) Limited	Previous Administrator

24. Related party transactions and balances (Continued)

Name of related party	Nature of transactions	Transactions for the year		Outstanding Balance	
		2021 USD	2020 USD	**2021 USD**	2020 USD
IIFL PRIVATE WEALTH MANAGEMENT (DUBAI) LIMITED	Interest on loan	**-**	28,269	**-**	-
IIFL PRIVATE WEALTH MANAGEMENT (DUBAI) LIMITED	Loan received	**-**	2,200,000	**-**	-
IIFL PRIVATE WEALTH MANAGEMENT (DUBAI) LIMITED	Loan repaid	**-**	(2,200,000)	**-**	-
IIFL SECURITIES PTE LTD	Referral fees expense	**46,599**	191,213	-	42,643
IIFL SECURITIES PTE LTD	Loan received	**-**	700,000	**-**	-
IIFL SECURITIES PTE LTD	Loan repaid	**-**	(700,000)	**-**	-
IIFL Capital Pte. Ltd	Business Support	**-**	5,900,000	**-**	3,200,000
IIFL CAPITAL INC.	Referral fees expense	**-**	-	**-**	210,000
IIFL Wealth Management Limited	Ordinary shares	**-**	-	**69,975**	69,975
IIFL Capital Pte. Ltd	Sale of Investments	**1,196,119**	-	-	-
SANNE Mauritius	Administration expenses	**12,676**	-	**-**	**-**
Trident Trust Company (Mauritius) Limited	Administration expenses	**33,319**	344,864	**-**	-

24. Related party transactions and balances (Continued)

Name of related party	Nature of transactions	Transactions for the year		Outstanding Balance	
		2021 USD	2020 USD	**2021 USD**	2020 USD
Rohit Kumar	Salary and allowances	**8,980**	117,559	**-**	-
Maharoof Parokot	Salary and allowances	**9,583**	125,793	**--**	-

25. Holding company

IIFL Wealth Management Limited, a company incorporated in India, is the holding company of IIFL Asset Management (Mauritius) Limited. IIFL Wealth Management Limited is listed on the Stock Exchange of India.

26. Going concern and Impact of Covid 19

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to Covid-19, which is at least, but not limited to, twelve months from the date of authorisation of these financial statements.

The directors have no reason to believe the Company will not be a going concern in the year ahead considering, amongst other things, liquidity and capital at its disposal. The going concern basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities will occur in the ordinary course of business. Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern.

27. Events after reporting date

There were no material post reporting date events after reporting date that could affect the financial statements as at 31 March 2021.