

## Independent Auditors' Report

To the Directors of  
**EW India Special Assets Advisors LLC**

### Report on the Financial Statements

We have audited the accompanying financial statements of **EW India Special Assets Advisors LLC** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing, which requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

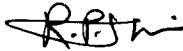


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No. 119850W



**R.P.Soni**  
Partner  
Membership No. 104796  
Place: Mumbai  
Date: 24 April 2018



**EW India Special Assets Advisors LLC**

**Balance Sheet**

(Currency: Indian rupees)

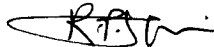
	Note	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	88,204,758	88,204,758
Reserves and surplus	2.2	(83,198,130)	(83,361,148)
		<u>5,006,628</u>	<u>4,843,610</u>
<b>Current liabilities</b>			
Trade payables		<u>349,052</u>	<u>303,318</u>
		<u>349,052</u>	<u>303,318</u>
<b>TOTAL</b>		<u><b>5,355,680</b></u>	<u><b>5,146,928</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	2.3	<u>715</u>	<u>713</u>
		<u>715</u>	<u>713</u>
<b>Current assets</b>			
Trade receivables	2.4	2,601,764	1,945,158
Cash and cash equivalents	2.5	2,472,616	2,921,360
Short-term loans and advances	2.6	<u>280,584</u>	<u>279,698</u>
		<u>5,354,965</u>	<u>5,146,215</u>
<b>TOTAL</b>		<u><b>5,355,680</b></u>	<u><b>5,146,928</b></u>

Significant accounting policies and notes to the financial statements, 1 & 2

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W

For and on behalf of the Board of Directors

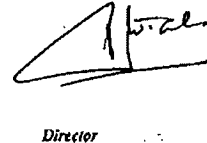


R. P. Soni  
Partner  
Membership No.: 104796



Mumbai  
Date: 24 April 2018

  
Director

  
Director

**EW India Special Assets Advisors LLC**

**Statement of Profit and Loss**

(Currency: Indian rupees)

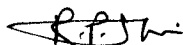
Particulars	Note	For the year ended 31	For the year ended
		March 2018	31 March 2017
<b>Revenue from operations</b>			
Advisory fee income		2,577,896	2,012,688
<b>Total revenue</b>		<u>2,577,896</u>	<u>2,012,688</u>
<b>Expenses</b>			
Finance cost	2.7	107,636	107,630
Other expenses	2.8	2,323,948	1,852,079
<b>Total expenses</b>		<u>2,431,585</u>	<u>1,959,709</u>
<b>Profit before tax</b>		146,312	52,979
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax benefit		-	-
<b>Profit for the year</b>		<u>146,312</u>	<u>52,979</u>
<b>Earnings per Class-A shares</b>	2.10		
Basic and diluted (par value USD 1 each)		0.10	0.04

Significant accounting policies and notes to the financial statements 1 & 2

As per our report of even date attached.

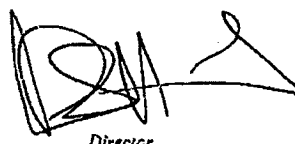
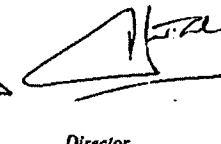
For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W

For and on behalf of the Board of Directors



R. P. Soni  
Partner  
Membership No.: 104796



Director

Director

Mumbai  
Date: 24 April 2018

EW India Special Assets Advisors LLC

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profits before taxation	146,312	52,979
Adjustments for		
Adjustments for working capital changes		
(Increase) in trade receivables	(656,606)	(1,945,130)
Decrease/(Increase) in short term loans and advances	(886)	6,446
Increase / (decrease) in trade payables and other current liabilities	45,734	(594,398)
<b>Cash used in operations</b>	<b>(465,447)</b>	<b>(2,480,103)</b>
Income taxes paid	-	-
<b>Net cash used in operations activities-A</b>	<b>(465,447)</b>	<b>(2,480,103)</b>
<b>B Cash flow from investing activities</b>		
Proceeds from repayment of loan given (net) (refer note below)	-	5,306,632
<b>Net cash generated from investing activities - B</b>	<b>-</b>	<b>5,306,632</b>
<b>C Cash flow from financing activities</b>		
<b>Net cash used in financing activities - C</b>	<b>-</b>	<b>-</b>
<b>D Change in foreign exchange translation reserve - D</b>	<b>16,704</b>	<b>(112,237)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(448,743)</b>	<b>2,714,292</b>
Cash and cash equivalent as at the beginning of the year	2,921,360	207,067
Cash and cash equivalent as at the end of the year (refer note 2.5)	2,472,616	2,921,360

Note:

1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W

For and on behalf of the Board of Directors



R. P. Soni  
Partner  
Membership No.: 104796



  
Director

  
Director

Mumbai  
Date: 24 April 2018

EW India Special Assets Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.1 Share capital

Authorised :

1,511,000 (Previous year: 1,511,000) Class A shares of USD 1 each  
1,000 (Previous year: 1000) Class B shares of USD 10 each

As at 31 March 2018 As at 31 March 2017

8,77,57,558 8,77,57,558  
4,47,200 4,47,200

8,82,04,758 8,82,04,758

Issued, subscribed and fully paid up:

1,511,000 (Previous year: 1,511,000) Class A shares of USD 1 each  
1,000 (Previous year: 1000) Class B shares of USD 10 each

8,77,57,558 8,77,57,558  
4,47,200 4,47,200

8,82,04,758 8,82,04,758

The movement in share capital during the year :

Class A shares

Outstanding at the beginning of the year  
Issued during the year  
As at the end of the year

As at 31 March 2018		As at 31 March 2017	
No of shares	Amount	No of shares	Amount
15,11,000	8,77,57,558	15,11,000	8,77,57,558
-	-	-	-
15,11,000	8,77,57,558	15,11,000	8,77,57,558

Class B shares

Outstanding at the beginning of the year  
Issued during the year  
As at the end of the year

As at 31 March 2018		As at 31 March 2017	
No of shares	Amount	No of shares	Amount
1,000	4,47,200	1,000	4,47,200
-	-	-	-
1,000	4,47,200	1,000	4,47,200

Terms /rights attached to class A shares:

Class A shares represent the management and voting rights of the Company. The holders of Class A shares have a right to vote on a poll at a meeting of shareholders on any resolution, except for Class meetings of Class B shareholders. The Class A shares does not carry any distribution rights.

In the event of liquidation of the Company, the holders of Class A shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts and distribution to Class B shares.

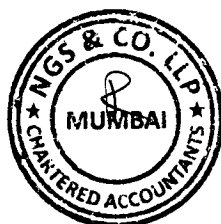
Terms /rights attached to class B shares:

Class B shares are non voting but have a right to receive notice and to vote on a poll at a meeting of Class B shareholders only in cases where a vote is taken on matters which will vary and affect the rights of Class B shareholders. The shareholder of Class B shares would be entitled to receive distributions (by way of dividend or otherwise) from the amounts available for distribution to the shareholders as may be decided by the Board from time to time.

In the event of liquidation of the Company, the holders of Class B shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Details of Shareholders holding more than 5% shares

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Percentage of total number of shares	No. of shares	Percentage of total number of shares
<b>Class A Shares</b>				
EAAA LLC	15,11,000	100	1511000	100
<b>Class B Shares</b>				
EAAA LLC	900	90	900	90
Gamla Livforsakringsaktiebolaget SEB Trygg Liv (publ)	100	10	100	10



EW India Special Assets Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.2 Reserves and surplus</b>		
Foreign exchange translation reserve	1,13,717	97,011
<b>Deficit in statement of profit and loss</b>		
Opening balance	(8,34,58,160)	(8,35,11,139)
Add: Profit for the year	1,46,312	52,979
Closing balance	<u>(8,33,11,848)</u>	<u>(8,34,58,160)</u>
	<u>(8,31,98,131)</u>	<u>(8,33,61,148)</u>



EW India Special Assets Advisors LLC

Notes to the financial statements *(continued)*

(Currency: Indian rupees)

**2.3 Non-current investments - at cost**

Other non-current investments

*Management shares*

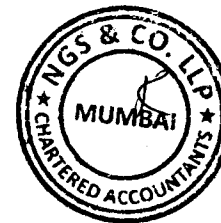
EW India Special Assets Fund LLC\*

*Class B shares*

EW India Special Assets Fund Pte Limited\*

	As at 31 March 2018			As at 31 March 2017		
	Quantity	Face value	Amount	Quantity	Face value	Amount
EW India Special Assets Fund LLC*	999	0.01	650	999	0.01	648
EW India Special Assets Fund Pte Limited*	1	1	65	1	1	65
			<u>715</u>			<u>713</u>
Aggregate of unquoted investment - At book value			715			713

\* *Change in amount of Investment is due to foreign currency translation*





EW India Special Assets Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.4 Trade receivables</b>		
<b>Outstanding for a period exceeding six months</b>		
Unsecured, considered good	-	-
<b>Other debts</b>		
Unsecured, considered good	26,01,764	19,45,158
	<u>26,01,764</u>	<u>19,45,158</u>
<b>2.5 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	24,72,616	29,21,360
	<u>24,72,616</u>	<u>29,21,360</u>
<b>2.6 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Other loans and advances		
Prepaid expenses	2,80,584	2,79,698
	<u>2,80,584</u>	<u>2,79,698</u>



**EW India Special Assets Advisors LLC**

**Notes to the financial statements (continued)**

(Currency: Indian rupees)

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
<b>2.7 Finance cost</b>		
Bank charges	1,07,636	1,07,630
	<u>1,07,636</u>	<u>1,07,630</u>
<b>2.8 Other expenses</b>		
Auditors' remuneration (refer note below)	3,11,287	1,00,299
Communication	10,724	8,373
Directors fees	5,80,027	6,37,351
Legal and professional fees	10,17,931	6,97,732
License fees	2,60,045	2,53,934
Registered address charges	34,585	36,003
Secretarial service	52,012	54,144
Miscellaneous expenses	57,338	64,243
	<u>23,23,948</u>	<u>18,52,079</u>
<b>Note:-</b>		
<b>Auditors' remuneration:</b>		
As auditor	3,11,287	1,00,299
For out of pocket expenses	-	-
	<u>3,11,287</u>	<u>1,00,299</u>



# EW India Special Assets Advisors LLC

## Notes to the financial statements (*continued*)

(Currency: Indian rupees)

### 2.9 *Segment reporting*

The business of the Company is to carry out investment advisory activities as permitted under the provisions of Financial Services Act, 2007 of Mauritius and accordingly it operates in one segment only. Hence, no disclosures are required under Accounting Standard 17 on Segment Reporting specified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

### 2.10 *Earnings per share*

In accordance with Accounting Standard 20 on Earnings per share notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below.

	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Shareholders earnings (statement of profit and loss)	1,46,312	52,979
b) Calculation of weighted average number of Class A Shares of USD 1 each:		
(i) Number of shares at the beginning of the year	15,11,000	15,11,000
(ii) Shares issued during the year (number of shares issued)	-	-
Total number of Class A shares outstanding at the end of the year	1,511,000	1,511,000
Weighted average number of Class A shares outstanding during the year (based on the date of issue of shares)	1,511,000	15,11,000
Nominal value per share in USD	1	1
c) Basic and diluted earnings per share (in rupees) (a/b)	0.10	0.04

The basic and diluted earnings per share are the same as there are no dilutive potential Class A shares

### 2.11 *Disclosure as required by the Accounting Standard 18 – “Related party transactions” as prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014:*

#### (A) Names of related parties by whom control is exercised

Edelweiss Financial Services Limited	Ultimate holding company
EC International Limited	Holding company
EAAA LLC	Holding company



EW India Special Assets Advisors LLC  
Notes to the financial statements (continued)  
for the year ended 31 March 2018

(Currency: Indian rupees)

2.11 Related parties (continued)

(B) Transactions and balances with related party:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<i>Current account transactions</i>		
Advisory fee income from EAAA LLC	25,77,896	20,12,688
<i>Balances with related parties</i>		
Trade receivable EAAA LLC	26,01,764	19,45,158
<i>Non-current investments</i>		
Management shares - EW India Special Assets Fund LLC	650	648
Class B shares - EW India Special Assets Fund Pte Limited	65	65

Note:

1. Current and capital account transactions are reported at average rate and balance sheet items are reported at closing rate.



**EW India Special Assets Advisors LLC**  
**Notes to the financial statements (continued)**

(Currency: Indian rupees)

**2.12 Capital commitments and contingent liabilities**

The Company has no capital commitments and contingent liabilities as at the balance sheet date. (Previous year: Nil)

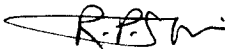
**2.13 Disclosure under Schedule III of the Companies Act**

Disclosure under Schedule III of the Companies Act, 2013 has been made to the extent applicable to the Company.

As per our report of even date attached.

For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W

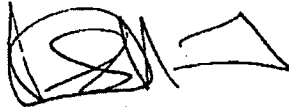
For and on behalf of the Board of Directors



R. P. Soni  
Partner

Membership No.: 104796  
Mumbai

Date 24 Apr 2018



Director



Director

