

## **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 2017, 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.

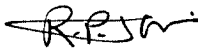


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

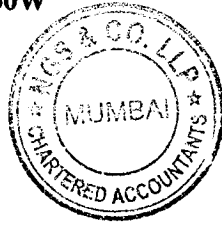
**Opinion**

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 2017, 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: 15 May 2017**



EW India Special Assets Advisors LLC

Balance Sheet

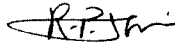
(Currency: Indian rupees)

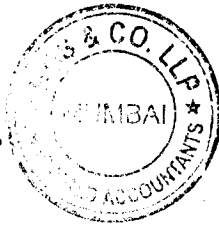
	Note	As at 31 March 2017	As at 31 March 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	88,204,758	88,204,758
Reserves and surplus	2.2	(83,361,148)	(83,301,674)
		<u>4,843,610</u>	<u>-1,902,884</u>
<b>Current liabilities</b>			
Trade payables		<u>303,318</u>	<u>897,716</u>
		<u>303,318</u>	<u>897,716</u>
<b>TOTAL</b>		<u><b>5,146,928</b></u>	<u><b>5,500,600</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	2.3	<u>713</u>	<u>729</u>
		<u>713</u>	<u>729</u>
<b>Current assets</b>			
Trade receivables	2.4	<u>1,945,158</u>	<u>28</u>
Cash and cash equivalents	2.5	<u>2,921,360</u>	<u>207,067</u>
Short-term loans and advances	2.6	<u>279,698</u>	<u>5,592,776</u>
		<u>5,146,215</u>	<u>5,799,871</u>
<b>TOTAL</b>		<u><b>5,146,928</b></u>	<u><b>5,800,600</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.: 119650W

  
R. P. Soni  
Partner  
Membership No.: 104796



Mumbai  
Date: 15 May 2017

For and on behalf of the Board of Directors



Director



Director

**EW India Special Assets Advisors LLC**


**Statement of Profit and Loss**

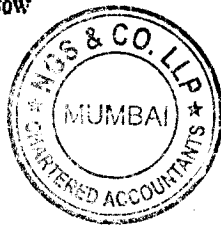
(Currency: Indian rupees)

Particulars	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Advisory fee income		2,012,688	-
<b>Total revenue</b>		<b>2,012,688</b>	<b>-</b>
Expenses			
Finance cost	2.7	107,630	111,004
Other expenses	2.8	1,852,079	1,982,156
<b>Total expenses</b>		<b>1,959,709</b>	<b>2,093,160</b>
<b>Profit / (loss) before tax</b>		<b>52,979</b>	<b>(2,093,160)</b>
Tax expense:			
Current tax		-	-
Deferred tax benefit		-	-
<b>Profit / (loss) for the year</b>		<b>52,979</b>	<b>(2,093,160)</b>
Earnings per Class A shares	2.10		
Basic and diluted (par value USD 1 each)		0.04	(1.39)
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

  
R. P. Soni  
Partner  
Membership No.: 104796



For and on behalf of the Board of Directors



Director



Director

Mumbai  
Date: 15 May 2017

EW India Special Assets Advisors LLC

Cash Flow Statement

(Currency: Indian rupees)

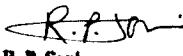
	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>A Cash flow from operating activities</b>		
Profits / (loss) before taxation		
Adjustments for	52,979	(2,093,160)
Adjustments for working capital changes		
(Increase)/decrease in trade receivables	(1,945,130)	30,130,731
Decrease/(increase) in short term loans and advances	6,446	(16,143)
Decrease in trade payables and other current liabilities	(594,398)	(16,637,802)
Cash (used in) / generated from operations	<u>(2,480,103)</u>	<u>11,393,627</u>
Income taxes paid	-	-
Net cash (used in) / generated from operations activities-A	<u>(2,480,103)</u>	<u>11,393,627</u>
<b>B Cash flow from investing activities</b>		
Proceeds from repayment of loan given (net) (refer note below)	5,306,632	(5,306,632)
Net cash generated from / (used in) investing activities - B	<u>5,306,632</u>	<u>(5,306,632)</u>
<b>C Cash flow from financing activities</b>		
Repayment of loan taken	-	(6,259,080)
Net cash used in financing activities - C	<u>-</u>	<u>(6,259,080)</u>
<b>D Change in foreign exchange translation reserve - D</b>		
	(112,237)	368,369
Net increase in cash and cash equivalents (A+B+C+D)	<u>2,714,292</u>	<u>196,284</u>
Cash and cash equivalent as at the beginning of the year	207,067	10,824
Cash and cash equivalent as at the end of the year (refer note 2.5)	<u>2,921,360</u>	<u>207,067</u>

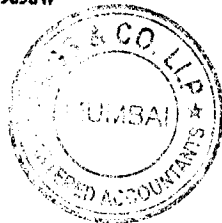
Notes:

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


As per our report of even date attached.

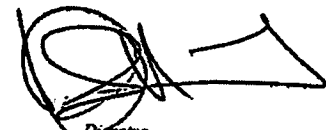
For NGS & Co. LLP  
Chartered Accountants  
Firm Registration No.: 119850W

  
R. P. Soal  
Partner  
Membership No.: 104796



For and on behalf of the Board of Directors

  
Director

  
Director

Mumbai  
Date: 15 May 2017

# EW India Special Assets Advisors LLC

## Notes to the financial statements

for the year ended 31 March 2017

(Currency: Indian rupees)

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees.

The entity being a foreign Company, the assets and liabilities for the purpose of preparation of these financial statements, are translated into Indian Rupees at the rate of exchange prevailing as at the balance sheet date. Further, revenue and expense are translated into Indian Rupees at the average exchange rate prevailing during the year and the resulting net translation adjustment has been disclosed as Foreign Exchange Translation Reserve in Reserves and Surplus. The same is in compliance with Accounting Standard 11 issued by the Institute of Chartered Accountants of India on "The Effects of Changes in Foreign Exchange Rates".

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Revenue recognition

Advisory fee is recognised on a contractual arrangement in accordance with the term and contract entered into between Company and the counterparty.

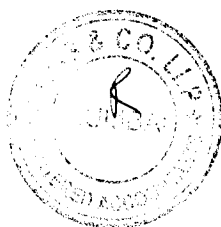
#### 1.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### 1.5 Taxation

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

Current tax



# EW India Special Assets Advisors LLC

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

for the year ended 31 March 2017

(Currency: Indian rupees)

### 1. Significant accounting policies (*continued*)

Provision for current tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable

#### Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

### 1.6 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share notified under section 133 of the Companies Act, 2013 read together with Rule 7 of Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of class A shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue class A shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of class A shares and dilutive potential class A shares outstanding at year end.

### 1.7 Provisions and contingencies

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

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

### 1.8 Investments

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less other than any temporary diminution in value, determined separately for each investment.



# EW India Special Assets Advisors LLC

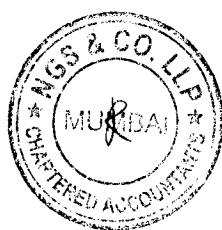
## Notes to the financial statements *(Continued)*

*for the year ended 31 March 2017*

(Currency: Indian rupees)

### **1. Significant accounting policies *(continued)***

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.





EW India Special Assets Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.1 Share capital</b>		
<b>Authorised :</b>		
1,511,000 (Previous year: 1,511,000) Class A shares of USD 1 each	87,757,558	87,757,558
1,000 (Previous year: 1000) Class B shares of USD 10 each	447,200	447,200
	<b>88,204,758</b>	<b>88,204,758</b>
<b>Issued, subscribed and fully paid up:</b>		
1,511,000 (Previous year: 1,511,000) Class A shares of USD 1 each	87,757,558	87,757,558
1,000 (Previous year: 1000) Class B shares of USD 10 each	447,200	447,200
	<b>88,204,758</b>	<b>88,204,758</b>

**The movement in share capital during the year :**

	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
<b>Class A shares</b>				
Outstanding at the beginning of the year	1,511,000	87,757,558	1,511,000	87,757,558
Issued during the year	-	-	-	-
As at the end of the year	<b>1,511,000</b>	<b>87,757,558</b>	<b>1,511,000</b>	<b>87,757,558</b>
<b>Class B shares</b>				
Outstanding at the beginning of the year	1,000	447,200	1,000	447,200
Issued during the year	-	-	-	-
As at the end of the year	<b>1,000</b>	<b>447,200</b>	<b>1,000</b>	<b>447,200</b>

**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.

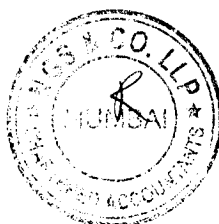
**Terms /rights attached to class B shares:**

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 2017		As at 31 March 2016	
	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	1,511,000	100	1511000	100
<b>Class B Shares</b>				
EAAA LLC	900	90	900	90
Gamla Livforsakringsaktiebolaget SEB Trygg Liv (publ)	100	10	100	10

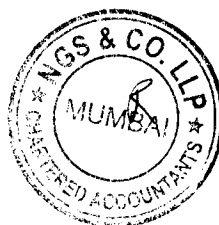


**EW India Special Assets Advisors LLC**

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

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
<b>2.2 Reserves and surplus</b>		
Foreign exchange translation reserve	97,011	209,265
<b>Deficit in statement of profit and loss</b>		
Opening balance	(83,511,139)	(81,417,979)
Add: profit / ( loss )for the year	52,979	(2,093,160)
Closing balance	<u>(83,458,160)</u>	<u>(83,511,139)</u>
	<u>(83,361,148)</u>	<u>(83,301,874)</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

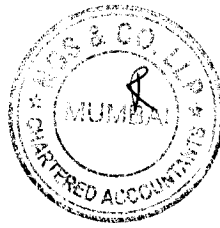
EW India Special Assets Fund LLC\*

Class B shares

EW India Special Assets Fund Pte Limited\*

	As at 31 March 2017			As at 31 March 2016		
	Quantity	Face value	Amount	Quantity	Face value	Amount
EW India Special Assets Fund LLC* Class B shares	999	0.01	648	999	0.01	663
EW India Special Assets Fund Pte Limited*	1	1	<u>65</u>	1	1	<u>66</u>
			<u>713</u>			<u>729</u>
Aggregate of unquoted investment - At book value			713			729

\* 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 2017	As at 31 March 2016
<b>2.4 Trade receivables</b>		
<b>Outstanding for a period exceeding six months</b>		
Unsecured, considered good	-	28
<b>Other debts</b>		
Unsecured, considered good	1,945,158	-
	<u>1,945,158</u>	<u>28</u>
<b>2.5 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	2,921,360	207,067
	<u>2,921,360</u>	<u>207,067</u>
<b>2.6 Short-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Loan to EAAA LLC, holding company	-	5,306,632
Other loans and advances		
Prepaid expenses	279,698	286,144
	<u>279,698</u>	<u>5,592,776</u>

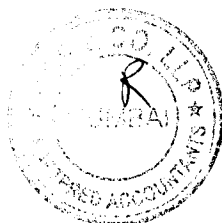


**EW India Special Assets Advisors LLC**

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

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>2.7 Finance cost</b>		
Bank charges	107,630	111,004
	<u>107,630</u>	<u>111,004</u>
<b>2.8 Other expenses</b>		
Auditors' remuneration (refer note 2.11)	100,299	493,085
Communication	8,373	10,893
Directors fees	637,351	540,054
Legal and professional fees	697,732	538,057
License fees	253,934	247,770
Registered address charges	36,003	35,129
Secretarial service	54,144	52,830
Miscellaneous expenses	64,243	64,338
	<u>1,852,079</u>	<u>1,982,156</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

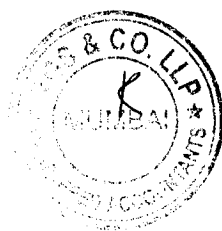
In accordance with Accounting Standard 20 on Earnings per share notified under Section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below.

	For the year ended 31 March 2017	For the year ended 31 March 2016
a) Shareholders earnings (statement of profit and loss)	52,979	(20,93,160)
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)	0.04	(1.39)

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

### 2.11 Auditors' remuneration

	For the year ended 31 March 2017	For the year ended 31 March 2016
As Auditors	100,299	4,93,085
Other matters	-	-
Out-of-pocket expenses	-	-
<b>Total</b>	<b>100,299</b>	<b>4,93,085</b>



**EW India Special Assets Advisors LLC**  
**Notes to the financial statements (continued)**  
**for the year ended 31 March 2017**

(Currency: Indian rupees)

**2.12 Related parties (continued)**

**(A) Transactions and balances with related party:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<b>Current account transactions</b>		
Unsecured loan taken EAAA LLC	5,367,168	-
Advisory fee income EC Global Limited	2,012,688	-
Unsecured loan repaid EAAA LLC	-	6,546,107
Unsecured loan given EAAA LLC	-	13,419,519
Proceeds from unsecured loan given EAAA LLC	-	8,182,633
<b>Balances with related parties</b>		
Trade Receivable EC Global Limited	1,945,158	-
Non-current investments		
Management shares - EW India Special Assets Fund LLC	648	663
Class B shares - EW India Special Assets Fund Pte Limited	65	66

**Note:**

1. Loan given to/taken from related parties are disclosed based on the maximum incremental amount given/taken during the reporting period.
2. 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 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

**(B) Name of fellow subsidiaries with whom transaction has taken place**

EC Global Limited

**2.13 Capital commitments and contingent liabilities**

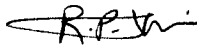
The Company has no capital commitments and contingent liabilities as at the balance sheet date. (Previous year: Nil)

**2.14 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



R. P. Soni  
Partner  
Membership No.: 104796  
Mumbai  
Date: 15 May 2017

For and on behalf of the Board of Directors



Director



Director

