

GILLANDERS HOLDINGS (MAURITIUS) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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GILLANDERS HOLDINGS (MAURITIUS) LIMITED**COMPANY INFORMATION**

		Appointed on	Resigned on
DIRECTORS	:		
		Sachidananda Payandee Govinda	28 May 2014
		Vimla Ramsamy	28 May 2014
		Bithal Kumar Kothari	30 May 2014
		Vijay Kumar	30 May 2014
		Shameel Rumjaun	18 October 2016
			-
			18 October 2016
			-
			-
			-

ADMINISTRATOR AND SECRETARY : Abax Corporate Services Ltd
6th Floor, Tower A,
1 CyberCity
Ebène
Republic of Mauritius

REGISTERED OFFICE : C/o Abax Corporate Services Ltd
6th Floor, Tower A,
1 CyberCity
Ebène
Republic of Mauritius

AUDITOR : SRA Partners
5TH Floor, Labourdonnais Court
Corner Labourdonnais and St Georges Streets
Port Louis
Republic of Mauritius

BANKER : SBI (Mauritius) Ltd,
Head Office
SBI Tower Mindspace
Bhumi Park, 45
Ebène
Republic of Mauritius.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

COMMENTARY OF DIRECTORS

The directors present their commentary and the audited financial statements of Gillanders Holdings (Mauritius) Limited ("the Company") for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

RESULTS AND DIVIDENDS

The Company's profit for the year ended 31 March 2017 is **USD 24,472** (2016 – USD 28,009).

The directors do not recommend the payment of dividend for the year under review (2016 – USD nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the 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 as modified by the exemption provided by the Mauritian Companies Act 2001 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 Mauritian Companies Act 2001. 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.

AUDITOR

SRA Partners has indicated its willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board


MARTINE CUNDASAWMY
FOR
ABAX CORPORATE SERVICES LTD
SECRETARY

Date: 26 May 2017

SECRETARY'S CERTIFICATE

TO THE MEMBER OF GILLANDERS HOLDINGS (MAURITIUS) LIMITED

UNDER SECTION 166 (d) OF THE MAURITIAN COMPANIES ACT 2001

We confirm that, based on records and information made available to us by the Directors and Shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2017, all such returns as are required of the Company under the Mauritius Companies Act 2001.

Dated 26 May 2017

MARTINE CUNDASAWMY
FOR
ABAX CORPORATE SERVICES LTD

Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

Report on the Financial Statements

Opinion

We have audited the financial statements of Gillanders Holdings (Mauritius) Limited (the "Company"), which comprise the statement of financial position as at 31 March 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 25. In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 31 March 2017 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 2001.

Basis for opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report and Secretary's Report. The other information does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of Management 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 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

Report on the Financial Statements (Continued)

Responsibilities of Management for the Financial Statements

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.

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

Emphasis of Matter

Without modifying our opinion, we draw attention to note 13 to the financial statements, which describes the basis of accounting. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) We have no relationship with or interests in the Company other than in our capacity as auditors;
- (b) We have obtained all the information and explanations we have required; and
- (c) In our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

SRA Partners

SRA Partners



Shareef Ramjan (FCCA)

Licensed by FRC

Date: 26 May 2017

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	2017 USD	2016 USD
Income	-	-
	-----	-----
Expenses		
Transaction costs	156,000	156,000
Secretarial fees	4,460	9,200
Accountancy fees	2,500	3,500
Directors' fees	3,000	3,000
Commission	3,250	3,250
Annual licence fees	1,750	1,860
Audit fees	1,380	1,380
Bank charges	1,727	1,845
Domiciliation and compliance fees	1,425	1,425
Taxation fees	1,000	1,000
Disbursements	514	500
Annual registration fees	325	569
	-----	-----
	177,331	183,529
	-----	-----
Operating loss	(177,331)	(183,529)
Finance cost	(462,041)	(418,893)
Finance income	780,988	741,668
	-----	-----
Profit before income tax	141,616	139,246
Income tax expense (Note 5)	(117,144)	(111,237)
	-----	-----
Profit for the year	24,472	28,009
Other comprehensive income	-	-
	-----	-----
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	24,472	28,009
	=====	=====

The notes on pages 11 to 25 form an integral part of these financial statements.

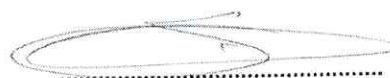
GILLANDERS HOLDINGS (MAURITIUS) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	2017 USD	2016 USD
ASSETS		
Non-current assets		
Investment in subsidiary (Note 6)	3,701,969	3,701,969
Loan receivable (Note 7)	8,407,000	8,407,000
	<u>12,108,969</u>	<u>12,108,969</u>
Current assets		
Other receivables (Note 8)	88,773	243,664
Cash and cash equivalents	55,266	53,383
	<u>144,039</u>	<u>297,047</u>
Total assets	<u><u>12,253,008</u></u>	<u><u>12,406,016</u></u>
EQUITY AND LIABILITIES		
Equity		
Stated capital (Note 9)	10,000	10,000
Retained deficit	(53,826)	(78,298)
Shareholder's deficit	<u>(43,826)</u>	<u>(68,298)</u>
LIABILITIES		
Non-current liabilities		
Borrowings (Note 10)	10,729,204	12,451,704
Current liabilities		
Borrowings (Note 10)	1,547,500	-
Other payables (Note 11)	20,130	22,610
Total current liabilities	<u>1,567,630</u>	<u>22,610</u>
Total liabilities	<u>12,296,834</u>	<u>12,474,314</u>
Total equity and liabilities	<u><u>12,253,008</u></u>	<u><u>12,406,016</u></u>

Authorised for issue by the Board of directors on *26 May 2017*
and signed on its behalf by:


.....
Director


.....
Director

The notes on pages 11 to 25 form an integral part of these financial statements.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Stated capital USD	Retained deficit USD	Total USD
At 31 March 2015	10,000	(106,307)	(96,307)
Total comprehensive income for the year	-	28,009	28,009
	-----	-----	-----
At 31 March 2016	10,000	(78,298)	(68,298)
Total comprehensive income for the year	-	24,472	24,472
	-----	-----	-----
At 31 March 2017	10,000	(53,826)	(43,826)
	=====	=====	=====

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 USD	2016 USD
Cash flow from operating activities		
Profit before income tax	141,616	139,246
<i>Adjustments for:</i>		
Interest income	(780,988)	(741,668)
Interest expense	462,041	418,893
	-----	-----
Operating loss before working capital changes	(177,331)	(183,529)
Change in other receivables	155,631	156,354
Change in other payables	(3,750)	(98,249)
	-----	-----
Cash used in operating activities	(25,450)	(125,424)
Interest paid	(460,770)	(417,964)
Interest received	663,103	631,618
	-----	-----
Net cash generated from operating activities	176,883	88,230
	-----	-----
Cash flow from financing activities		
Refund of borrowings (Note 10)	(175,000)	(150,000)
	-----	-----
Net cash used in financing activities	(175,000)	(150,000)
	-----	-----
Net movement in cash and cash equivalents	1,883	(61,770)
Cash and cash equivalents at beginning of year	53,383	115,153
	-----	-----
Cash and cash equivalents at end of year	55,266	53,383
	=====	=====

The notes on pages 11 to 25 form an integral part of these financial statements.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****1 GENERAL INFORMATION**

Gillanders Holdings (Mauritius) Limited (the "Company") is a private limited company incorporated on 28 May 2014 and is domiciled in the Republic of Mauritius. The Company holds a Category 1 Global Business licence and is regulated by the Financial Services Commission. The Company's registered office address is C/o Abax Corporate Services Ltd, 6th Floor Tower A, 1 CyberCity, Ebène, Republic of Mauritius.

The principal activity of the Company is to hold investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for company holding a Category 1 Global Business Licence. The financial statements have been prepared under the historical cost convention.

Use of judgements and estimates

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 3.

Changes in accounting policy and disclosures*(a) New and amended standards and interpretations effective during the current year*

During the current year, the following standard has been adopted by the Company for the first time for the financial year beginning on or after 1 April 2016:

Disclosure Initiative (Amendments to IAS 1), clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1 - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated - where this is relevant to an understanding of the entity's financial position or performance.
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI.

These amendments affect presentation only and do not have any impact on the financial position or performance of the Company.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***(a) New and amended standards and interpretations effective during the current year (continued)**Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28).*

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the Company.

(b) Standards and interpretations issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 April 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Foreign currency translation****(a) Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States dollars (USD), which is the functional and presentation currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when fair value was determined.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position 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 income tax is recognised in full, using the liability method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income 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 income taxes 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.

Investment in subsidiary

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Investment in subsidiary (continued)***

Investment in subsidiary is carried at cost. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. Details of the Company's subsidiary undertakings are shown in Note 6.

Consolidated financial statements

The Company has taken exemption provided by the Mauritian Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are of the Company only and do not consolidate the results of its subsidiary. The parent company, Gillanders Arbuthnot and Company Limited, a company listed on the Calcutta Stock Exchange, Bombay Stock Exchange and National Stock Exchange of India, prepares consolidated financial statements in accordance with Indian GAAP. These consolidated financial statements are obtainable in Gillanders Arbuthnot and Company Limited website which is www.gillandersarbuthnot.com.

Financial instruments

The Company initially recognises financial instruments on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs.

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

Financial instruments carried on the statement of financial position include loans and receivables, cash and cash equivalents, other payables and borrowings. The particular recognition methods adopted are disclosed below:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise current 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 or other purposes.

Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*****Stated capital***

Ordinary shares are classified as equity.

Impairment of non-financial assets

The carrying amount of assets is assessed at each financial position date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit or loss.

Impairment of financial assets

The Company assesses at each financial position date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, contractual rights of the cash flow from the asset expire, or the rights to receive the contractual cash flows on the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the Company is recorded as a separate asset or liability.

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

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Revenue recognition

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive the dividend is established.

Expense recognition

Expenses are accounted for in the statement of profit or loss and other comprehensive income on an accrual basis.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising thereon are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors therein and have determined that the functional currency of the company is the USD.

Going concern

The Company's directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the support of its parent to continue in business for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES*Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said 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. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below.

(a) Market risk

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

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) *Market risk (continued)*(i) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. None of the Company's financial assets and liabilities is denominated in foreign currency at the reporting date and therefore is not exposed to foreign currency risk.

(ii) *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company exposure to cash flow interest rate risk arises from interest received and interest paid on loans. Based on the simulation performed, the impact on pre-tax loss for the year ended 31 March 2017 of a 0.5% change in interest rates would be a maximum decrease/increase of **USD 1,594** (2016 – USD 1,621) mainly as a result of higher/lower interest.

(iii) *Equity price risk*

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to equity price risk at year end.

(b) *Credit risk*

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from loan receivables from subsidiary and cash and cash equivalents. The Company has limited its credit risk by carrying out transactions with related parties. The Company places its cash and cash equivalents with reputable financial institutions. The maximum exposure to credit risk is depicted in the table below:

	2017 USD	2016 USD
Loan receivable	8,407,000	8,407,000
Interest receivable	13,129	12,389
Cash and cash equivalents	55,266	53,383
	-----	-----
	8,475,395	8,472,772
	=====	=====

(c) *Liquidity risk*

Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through funding from its parent.

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

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) *Liquidity risk (continued)*

	Within one year USD	More than one year USD	Total USD
2017			
Borrowings	1,547,500	10,729,204	12,276,704
Interest payable	11,067	-	11,067
Other payables	9,063	-	9,063
	-----	-----	-----
	1,567,630	10,729,204	12,296,834
	=====	=====	=====
	Within one year USD	More than one year USD	Total USD
2016			
Borrowings	-	12,451,704	12,451,704
Interest payable	9,797	-	9,797
Other payables	12,813	-	12,813
	-----	-----	-----
	22,610	12,451,704	12,474,314
	=====	=====	=====

(d) *Fair value*

The carrying amounts of loan receivable, cash and cash equivalents, borrowings and other payables approximate their fair values.

(e) *Capital risk management*

The Company's objective when managing capital is to safeguard the Company's ability to pay its debts when they fall due and to continue as a going concern. Capital comprises of equity. In order to maintain or adjust the capital structure, the Company may issue shares or have recourse from funds of its parent.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (current and non-current borrowings) less cash and cash equivalents (including bank overdraft). Capital is calculated as equity shown in the statement of financial position plus net debt.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) *Capital risk management*

	2017 USD	2016 USD
Total borrowings	12,276,704	12,451,704
Less: Cash and cash equivalents	(55,266)	(53,383)
	-----	-----
Net debt	12,221,438	12,398,321
Total equity	(43,826)	(68,298)
	-----	-----
Total capital	12,177,612	12,330,023
	=====	=====
Gearing Ratio	100.36%	100.55%

(f) *Financial instruments by category*

	2017 USD	2016 USD
Financial assets		
<i>Loans and receivables</i>		
Loan receivable	8,407,000	8,407,000
Interest receivable	13,129	12,389
Cash and cash equivalents	55,266	53,383
	-----	-----
	8,475,395	8,472,772
	=====	=====
Financial liabilities		
<i>Other financial liabilities at amortised cost</i>		
Borrowings	12,276,704	12,451,704
Interest payable	11,067	9,797
Other payables	9,063	12,813
	-----	-----
	12,296,834	12,474,314
	=====	=====

GILLANDERS HOLDINGS (MAURITIUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017****5 INCOME TAX**

The Company is subject to income tax in Mauritius on its net income at **15%** (2016 – USD 15%). However, the Company is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and **80%** of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of **3%** (2016 – USD 3%). Gains or profits from the sale of units or securities by a company holding a Category 1 Global Business Licence under the Financial Services Act 2007 are exempt in Mauritius.

Mauritius

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 March 2017, the Company had a tax expense of **USD 117,145** (2016 – USD 111,237).

	2017	2016
	USD	USD
The tax expense for the year consists of:		
Withholding tax charge	117,145	111,237
	=====	=====

Malawi

The Company is subject to withholding tax on dividend and interest at the rate of 10% and 15% respectively. A reconciliation between the accounting profit and the tax charge is as follows:

	2017	2016
	USD	USD
Profit before taxation	141,616	139,246
	=====	=====
Applicable income tax rate @ 15%	21,242	20,887
Impact of:		
Foreign tax credit	(21,242)	(20,887)
Withholding tax charge	117,145	111,237
	-----	-----
Income tax charge	117,145	111,237
	=====	=====

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017

6 INVESTMENT IN SUBSIDIARY

	2017 USD	2016 USD
<i>Unquoted investment at cost:</i>		
At beginning and at end of year	3,701,969 =====	3,701,969 =====

Details pertaining to the investment in subsidiary at 31 March 2017 are as follows:

Name of company	Country of incorporation	Number of shares held	% holding	Cost USD
Group Developments Limited	Malawi	1,283,574	100%	3,701,969

At 31 March 2017, the directors are of the opinion that the investment has not suffered any impairment.

7 LOAN RECEIVABLE

	2017 USD	2016 USD
<i>Group Developments Limited:</i>		
At beginning and at end of year	8,407,000 =====	8,407,000 =====

The loan is unsecured, bears interest at 3 months LIBOR + 7% and is repayable in 7 years.

8 OTHER RECEIVABLES

	2017 USD	2016 USD
Interest receivable	13,129	12,389
Prepayments	75,644	231,275
	----- 88,773 =====	----- 243,664 =====

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017

9 STATED CAPITAL

	Number of shares 2017	2017 USD	Number of shares 2016	2016 USD
<i>Issued and fully paid:</i>				
At beginning and at end of year	10,000 =====	10,000 =====	10,000 =====	10,000 =====

Rights and restrictions attached to ordinary shares:

Voting rights

Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.

Rights relating to dividends

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the Company.

10 BORROWINGS

	2017 USD	2016 USD
<i>Axis Bank Limited, Singapore Branch:</i>		
At beginning of year	12,451,704	12,601,704
Repayment during the year	(175,000)	(150,000)
	-----	-----
At end of the year	12,276,704	12,451,704
Less: current portion	(1,547,500)	-
	-----	-----
Non-current portion	10,729,204 =====	12,451,704 =====

The loan has been secured by Axis Bank Limited, India who has offered a standby letter of credit of USD 13,000,000 to Axis Bank Limited, Singapore Branch.

The loan bears interest at the rate of 3 months LIBOR plus 290 basis points per annum and is repayable within 7 years.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR YEAR ENDED 31 MARCH 2017

11 OTHER PAYABLES

	2017 USD	2016 USD
Interest payable	11,067	9,797
Amount due to parent (Note 12 (i))	1,683	4,933
Accruals	7,380	7,880
	-----	-----
	20,130	22,610
	=====	=====

12 RELATED PARTY TRANSACTIONS

During the year under review, the Company had the following transactions with related parties. Details of the nature, volume of transactions and the balance with related parties are as follows:

	2017 USD	2016 USD
(i) <i>Amount due to parent:</i>		
<i>Gillanders Arbuthnot and Company Limited</i>		
At beginning of the year	4,933	1,683
Amount repaid during the year	(6,500)	-
Commission payable for the year	3,250	3,250
	-----	-----
At end of the year	1,683	4,933
	=====	=====

The amount due to parent is unsecured, interest free and repayable with one year.

(ii) *Remuneration to key management personnel*

Directors' fees	3,000	3,000
Administrator's fees	7,960	13,700
	=====	=====

The compensation to key management personnel is provided on commercial terms and conditions.

(iii) *Loan to subsidiary*

The loan to subsidiary is disclosed in note 7.

13 GOING CONCERN

The Company's directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the financial support of its parent to continue in business for the foreseeable future. The Company has a profit of **USD 24,472** (2016 – USD 28,009) and a shareholder's deficit of **USD 43,826** at 31 March 2017 (2016 – USD 68,298). Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Thus, on the validity of this assumption, the financial statements have been prepared on the going concern basis.

GILLANDERS HOLDINGS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - FOR THE YEAR ENDED 31 MARCH 2017

14 PARENT AND ULTIMATE PARENT

The directors consider Gillanders Arbuthnot and Company Limited, a company incorporated in India and listed on the Calcutta Stock Exchange, Bombay Stock Exchange and National Stock Exchange of India, as its parent and ultimate parent.

15 EVENTS AFTER REPORTING DATE

There are no significant events after the reporting period which needs disclosures in or amendments to 31 March 2017 financial statements.