

BAYMANCO INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

BAYMANCO INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

CONTENTS	PAGE(S)
CORPORATE DATA	1
COMMENTARY OF THE DIRECTORS	2
CERTIFICATE FROM THE SECRETARY	3
INDEPENDENT AUDITORS' REPORT	4 - 7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 32

BAYMANCO INVESTMENTS LIMITED**CORPORATE DATA**

		Date of Appointment	Date of Resignation
DIRECTORS:	Jayant Shripad Gadgil	August 22, 2016	-
	Jaideep Pandit	August 22, 2016	-
	Chia Puay San	August 22, 2016	-
	Sevin Chendriah	August 22, 2016	-
	Sahjahan Ally Nauthoo	August 22, 2016	May 7, 2018
	Savilorna Payandi-Pillay Ramen	May 7, 2018	-
SECRETARY:	IQ EQ Corporate Services (Mauritius) Ltd <i>(Formerly known as SGG Corporate Services (Mauritius) Ltd)</i> Les Cascades Building 33, Edith Cavell Street 11324, Port Louis Republic of Mauritius		
REGISTERED OFFICE:	C/o IQ EQ Corporate Services (Mauritius) Ltd <i>(Formerly known as SGG Corporate Services (Mauritius) Ltd)</i> Les Cascades Building 33, Edith Cavell Street 11324, Port Louis Republic of Mauritius		
AUDITORS:	KPMG KPMG Centre 31 Cybercity Ebène Republic of Mauritius		
BANKER:	Barclays Bank Mauritius Limited International Banking 1st Floor, Barclays House 68-68A Cybercity Ebène Republic of Mauritius		

BAYMANCO INVESTMENTS LIMITED**COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2019**

The directors present their commentary, together with the audited financial statements of BAYMANCO INVESTMENTS LIMITED (the “Company”) for the year ended March 31, 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment holding.

RESULTS AND DIVIDENDS

The Company’s profit for the year under review is **USD 662,579** (2018: USD 488,639). The directors do not propose the payment of any dividend for the year under review.

DIRECTORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the 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 applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) to the financial statements, 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.

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

AUDITORS

The auditors, KPMG, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

CERTIFICATE FROM THE SECRETARY

**TO THE MEMBER OF BAYMANCO INVESTMENTS LIMITED
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT**

We certify to the best of our knowledge and belief that the Company has filed with the Registrar all such returns as are required of the Company under Section 166(d) of the Mauritius Companies Act, for the financial year ended March 31, 2019.



IQ EQ Corporate Services (Mauritius) Ltd
(Formerly known as SGG Corporate Services (Mauritius) Ltd)
CORPORATE SECRETARY

Les Cascades Building
33, Edith Cavell Street
11324, Port-Louis
Republic of Mauritius

Date: 7 MAY 2019



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 KPMG Centre
 31, Cybercity
 Ebène
 Mauritius
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 BRN No. F07000189
 Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BAYMANCO INVESTMENTS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Baymanco Investments Limited (the Company), which comprise the statement of financial position as at 31 March 2019 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 32.

In our opinion, the financial statements of Baymanco Investments Limited for the year ended 31 March 2019 have been prepared, in all material respects, in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) to the financial statements.

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.

Emphasis of matter - Basis of preparation

We draw attention to note 2(a) to the financial statements, which describes the basis of accounting. These are the Company's statutory financial statements and have been prepared in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence. Our opinion is not modified in respect of this matter.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF BAYMANCO INVESTMENTS LIMITED**

Report on the Audit of the Financial Statements (continued)

Other Information

The directors are responsible for the other information. The other information comprises the corporate data, commentary of the directors and certificate from the secretary. 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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF BAYMANCO INVESTMENTS LIMITED**

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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 MEMBER OF BAYMANCO INVESTMENTS LIMITED**

Report on the Audit of the Financial Statements (continued)

Other Matter

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

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

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

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

KPMG

KPMG
Ebène, Mauritius

Date: **07 May 2019**

WGE Pretorius

Wayne Pretorius
Licensed by FRC

BAYMANCO INVESTMENTS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2019

	Note	2019	2018 USD
Income			
Dividend income		679,868	508,497
Exchange gain		11	-
		679,879	508,497
Expenses			
Audit fees		4,000	4,000
Professional fees		10,735	13,363
Bank charges		1,435	1,515
Administrative expenses		1,130	980
		17,300	19,858
Profit before tax		662,579	488,639
Tax expense	7	-	-
Profit for the year		662,579	488,639
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		662,579	488,639

The notes on pages 12 to 32 form an integral part of these financial statements.

BAYMANCO INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	2019	2018
			USD
Assets			
Investment in associate	8	51,604,200	51,604,200
Non-current assets		51,604,200	51,604,200
Cash and cash equivalents	9	179,153	18,877
Current assets		179,153	18,877
Total assets		51,783,353	51,623,077
Equity			
Share capital	10	1,000	1,000
Retained earnings		1,123,853	461,274
Total equity		1,124,853	462,274
Liabilities			
Loans from related parties	11	50,650,000	51,150,000
Non-current liability		50,650,000	51,150,000
Other payables	12	8,500	10,803
Current liability		8,500	10,803
Total liabilities		50,658,500	51,160,803
Total Equity and Liabilities		51,783,353	51,623,077

These financial statements have been approved by the Board of Directors on 7 MAY 2019 and signed on its behalf by:

Director

Director

The notes on pages 12 to 32 form an integral part of these financial statements.

BAYMANCO INVESTMENTS LIMITED**STATEMENT OF CHANGES IN EQUITY**
FOR THE YEAR ENDED MARCH 31, 2019

	Share capital USD	Retained earnings USD	Total equity USD
Balance at 01 April 2017	1,000	(27,365)	(26,365)
<i>Total comprehensive income for the year</i>			
Profit for the year	-	488,639	488,639
Balance at 31 March 2018	1,000	461,274	462,274
Balance at 01 April 2018	1,000	461,274	462,274
<i>Total comprehensive income for the year</i>			
Profit for the year	-	662,579	662,579
Balance at 31 March 2019	1,000	1,123,853	1,124,853

The notes on pages 12 to 32 form an integral part of these financial statements.

BAYMANCO INVESTMENTS LIMITED**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED MARCH 31, 2019

	Note	<u>2019</u> USD	<u>2018</u> USD
Cash flows from operating activities			
Profit before tax		662,579	488,639
<i>Adjustments for:</i>			
Dividend income		(679,868)	(508,497)
<i>Changes in:</i>			
Other payables		(2,303)	(97,697)
Net cash used in operating activities		<u>(19,592)</u>	<u>(117,555)</u>
Cash flows from investing activities			
Dividend income		679,868	508,497
Net cash generated from investing activities		<u>679,868</u>	<u>508,497</u>
Cash flows from financing activities			
Proceeds of loan from related parties		-	10,000
Repayment of loan from related parties		(500,000)	(500,000)
Net cash used in financing activities		<u>(500,000)</u>	<u>(490,000)</u>
Net increase / (decrease) in cash and cash equivalents		160,276	(99,058)
Cash and cash equivalents at beginning of the year		18,877	117,935
Cash and cash equivalents at end of the year	9	<u>179,153</u>	<u>18,877</u>

The notes on pages 12 to 32 form an integral part of these financial statements.

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED MARCH 31, 2019

1. Reporting entity

BAYMANCO INVESTMENTS LIMITED (the “Company”) has been incorporated on 22nd August 2016 in the Republic of Mauritius as a private company limited by shares in accordance with the Mauritius Companies Act. The address of the registered office is Les Cascades Building, 33, Edith Cavell Street, 11324, Port Louis.

The principal activity of the Company is that of investment holding.

The Company is the holder of a Category 1 Global Business Licence under the Financial Services Act 2007.

2. Basis of preparation*(a) Statement of Compliance*

The Company has an investment in associate and in accordance with International Financial Reporting Standards is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with Section 211 of the Mauritius Companies Act, Content and form of financial statements, these financial statements present the financial position, financial performance and cash flow of the Company. Because the Company is a holder of a Category 1 Global Business Licence and is a wholly owned subsidiary of another company, these financial statements are prepared in accordance with Mauritius Companies Act which allows the use of International Financial Reporting Standards (“IFRS”) and interpretations adopted by the International Accounting Standards Board (IASB), except for the standard applicable to Investments in Associates (IAS 28).

(b) Basis of measurement

The financial statements have been prepared on the going concern basis using the historical cost convention, except for certain financial assets and financial liabilities which are stated at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States Dollar (“USD”) which is the Company’s functional currency and presentation currency.

(d) Use of estimates and judgements

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

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

Impairment

Management carries out a regular review of the status of the assets of the Company to determine whether there is any indication that these assets suffered any impairment.

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

Impairment (continued)

If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, which is then recognised in profit or loss. Management checks whether there is objective evidence that the assets are impaired and whether the fair values have declined. Management estimates of the impairment are based on critical evaluation of the economic circumstances involved, historical experience and other factors considered to be relevant.

(e) Going Concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is 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.

3. Changes in accounting policy and disclosures

Financial assets and financial liabilities

i. Classification and subsequent measurement

Classification of financial assets - Policy applicable from 1 January 2018

On initial recognition, the Company classifies financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: this includes equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis.

ii. Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3. Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

ii. *Assessment whether contractual cash flows are SPPI (continued)*

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

iii. *Classification of financial assets - Policy applicable before 1 January 2018*

The Company classified financial assets into the following categories.

• Loans and receivables

These assets were recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprised of cash and cash equivalents.

iv. *Subsequent measurement*

Policy applicable as from 1 January 2018

Financial assets at amortised cost (2017: loans and receivables)

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange loss' and impairment is recognised in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities – classification and subsequent measurement

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

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

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

iv. *Subsequent measurement*

Financial liabilities – classification and subsequent measurement (continued)

The Company classifies non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. The financial liabilities include loan from related party and other payables.

v. *Fair value measurement*

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

vi. *Amortised cost measurement*

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, and for financial assets, adjusted for any loss allowance.

vii. *Impairment*

Policy applicable from 1 January 2018

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

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

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

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

3. Changes in accounting policy and disclosures (continued)*Financial assets and financial liabilities (continued)**vii. Impairment (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if its repayment terms has lapsed.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any held).

The Company considers a financial asset to have a low risk when the amount receivable is with related parties.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

3. Changes in accounting policy and disclosures (continued)*Financial assets and financial liabilities (continued)**viii. Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Policy applicable before 1 January 2018

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s), and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

For an investment in equity security, objective evidence of impairment includes a significant and prolonged decline in its fair value below cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non – financial assets to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

viii. *Write-off (continued)*

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

ix. *Derecognition*

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or has expired.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

4. Significant accounting policies (continued)**(b) Investment in associates**

The Company's interests in equity-accounted investee comprise interests in associate.

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Investment in associate are shown at cost less impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to profit or loss as impairment loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss. In accordance with IAS 28, consolidated financial statement of the Company and its associate as a group should have been presented as the Company's ultimate parent does not produce consolidated financial statements available for public use that comply with International Financial Reporting Standards. Mauritius Companies Act allows that a wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information as the parent of the group, as explained in the basis of preparation note.

(c) Provisions

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as the finance cost.

(d) Expenses

All expenses are recognised in profit or loss on an accrual basis.

(e) Share capital

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

(f) Interest income

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholder's right to receive payment is established.

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

4. Significant accounting policies (continued)

(g) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(h) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or receivable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in associates to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

4. Significant accounting policies (continued)

(h) *Income tax (continued)*

Deferred tax assets and liabilities are offset only if certain criteria are met. Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

5. Standards and interpretations adopted in current year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 January 2018.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under IAS 39, impairment was recognised when losses were incurred. The Company did not previously report any incurred losses.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

The adoption of IFRS 9 had no material impact on the equity attributable to owners of the Company.

Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The Company applied IFRS 9 using the cumulative effect method, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity. The reclassifications and the adjustments arising from the new IFRS 9 rules are therefore not reflected in the statement of financial position as at 31 December 2017 but are recognized in the opening statement of financial position on 1 January 2018. Therefore, there is no impact on opening balance.

BAYMANCO INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
5. Standards and interpretations adopted in current year (continued)
Classification and measurement (continued)

Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

Classification and measurement

Financial assets	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying amount under IAS 39 USD'000	New carrying amount under IFRS 9 USD'000
Cash and cash equivalents	Loans and receivables	Amortised cost	19	19
Total Financial assets			<u>19</u>	<u>19</u>

Financial liabilities	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying amount under IAS 39 USD'000	New carrying amount under IFRS 9 USD'000
Loan from related parties	Amortised cost	Amortised cost	51,150	51,150
Other payables	Amortised cost	Amortised cost	11	11
Total Financial liabilities			<u>51,161</u>	<u>51,161</u>

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018.

Financial assets	IAS 39 carrying amount at 31 December 2017 USD'000	Reclassification USD	Remeasurement USD	IFRS 9 carrying amount at 1 January 2018 USD'000
Amortised cost				
Cash and cash equivalents	19	-	-	19
Total amortised cost	<u>19</u>	<u>-</u>	<u>-</u>	<u>19</u>

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

5. Standards and interpretations adopted in current year (continued)

Impairment of financial assets

The impairment requirements are based on an expected credit loss (“ECL”) model that replaces the IAS 39 incurred loss model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The Company has determined that the application of IFRS 9’s impairment requirements at 1 January 2018 results in no impairment allowance of cash and cash equivalents.

The Directors consider the probability of default to be close to zero for the amount receivable from related parties as the counterparties have a strong capacity to meet their contractual obligations in the near term following disposal of their investments. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Company.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

Comparative periods have not generally been restated. The adoption of IFRS 9 had no material impact on the total equity as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9, but rather those of IAS 39. The Company has used the exemption not to restate comparative periods.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

Entities are generally required to recognise either 12-months’ or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into).

6. *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company*

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Company’s financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the following new standards, amendments and interpretations to standards are expected to have a significant impact on the Company’s financial statements:

- IFRIC 23 - Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective for accounting periods beginning on or after 01 January 2019)

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

7. Tax expense

The Company holds a Category 1, Global Business Licence, issued by the Financial Services Commission under the Financial Services Act 2007. The net income of the Company is subject to income tax in Mauritius at the rate of 15%. It is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax chargeable on its foreign source income. As at 31 March 2019, the Company has no tax liability.

India

As a tax resident of Mauritius, the Company expects to obtain benefits under the double taxation treaty between India and Mauritius ("DTAA"). To obtain benefits under the double taxation tax treaty, the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certificate ("TRC") from the Mauritius Revenue Authority, renewable annually and believes such certification is determinative of its resident status for treaty purposes.

In year 2016, the governments of India and Mauritius revised the existing DTAA where certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal.

In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius.

Disposal of investments made by a Mauritius company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change and will continue to be exempted from capital gains tax in India.

As per the revised DTAA, interest arising in India to Mauritian residents will be subject to withholding tax in India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017.

Current tax charge

	<u>2019</u> USD	<u>2018</u> USD
Charge for the year	-	-

As at 31 March 2019, the Company has accumulated tax losses of **USD Nil** (2017 USD Nil). Under the current tax legislation, the Company may carry forward any unrelieved amount of tax loss incurred in any year and set it off against its net income derived in the following five years:

	<u>Loss</u> USD	No. of years <u>Valid for</u>	<u>Up to year ending</u> <u>31 March</u>
31 March 2019	-		
31 March 2018	-	-	-

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
*FOR THE YEAR ENDED MARCH 31, 2019***7. Tax expense (continued)**

A reconciliation between the accounting profit at the Company's tax rate of 15% and the tax charge is shown below:-

	<u>2019</u>	<u>2018</u>
	USD	USD
Profit before tax	<u>662,579</u>	<u>488,639</u>
Tax effect at 15%	99,387	73,296
Underlying Tax	31,030	54,074
Foreign tax credit	(130,417)	(123,806)
Deferred tax asset not recognised	<u>-</u>	<u>(3,564)</u>
	<u>-</u>	<u>-</u>

No deferred tax assets have been recognised during the year as there were no accumulated tax losses which were brought forward from prior financial period. In the financial year 2018, no deferred tax assets were recognised since the directors consider that it is not possible to predict if that future taxable profits will be available in the foreseeable future against which any unused tax loss can be utilised.

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

8. Investments in associate

(a) Cost

	<u>2019</u> USD	<u>2018</u> USD
At 01 April and 31 March	<u>51,604,200</u>	<u>51,604,200</u>

(b) Details of investments are as follows:

<u>Name of investee company</u>	<u>Type and number of shares</u>	<u>Country of incorporation</u>	<u>Nominal value of investments</u> USD	<u>% Holding 2019</u>	<u>% Holding 2018</u>
Bombay Dyeing & Manufacturing Company Ltd	Equity 47,312,000	India	51,604,200	22.91%	22.91%

The Company holds 22.91% of share capital of Bombay Dyeing & Manufacturing Company Ltd in the current year. The shares of the investee are listed on Bombay Stock Exchange and National Stock Exchange in India.

9. Cash and cash equivalents

	<u>2019</u> USD	<u>2018</u> USD
Cash at bank	<u>179,153</u>	<u>18,877</u>

10. Share capital

	<u>2019</u> USD	<u>2018</u> USD
Issued and fully paid (10 Ordinary shares of USD 100 each)	<u>1,000</u>	<u>1,000</u>

There were no movements in the issued share capital of the Company in either the 2019 or 2018 reporting periods. The Company has one class of ordinary shares which carry no right to fixed income.

- (i) the right to one vote on a poll at a meeting of the Company on any resolution;
- (ii) the right to an equal share in dividends authorised by the Board;
- (iii) the right to an equal share in the distribution of the surplus assets of the Company.

BAYMANCO INVESTMENTS LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**
11. Loans from related parties

	<u>2019</u>	<u>2018</u>
	USD	USD
Loan from Leila Lands Limited	39,040,000	39,040,000
Loan from Naira Holdings Limited	11,610,000	12,110,000
	<u>50,650,000</u>	<u>51,150,000</u>

During the current year, there was repayment of USD 500,000 to the related parties.

The loans from related parties are unsecured, interest free and the lenders confirmed that the loans will not be recalled within the next twelve months. In addition, the loans have been subordinated in favour of other creditors until such time that the Company is in the financial capacity to settle the loans.

12. Other payables

	<u>2019</u>	<u>2018</u>
	USD	USD
Accruals	4,500	4,500
Audit Fees	4,000	4,000
Payable to ultimate holding company	-	2,303
	<u>8,500</u>	<u>10,803</u>

13. Financial instruments
(a) Fair values and risk management
(i) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<u>Carrying Amount</u>	
	Amortised cost	
	Financial Assets	Financial Liabilities
2019	USD	USD
Financial assets not measured at fair value		
Cash and cash equivalents	179,153	-
	<u>179,153</u>	<u>-</u>
Financial liabilities not measured at fair value		
Loans from related parties	-	(50,650,000)
Other payables	-	(8,500)
	<u>-</u>	<u>(50,658,500)</u>

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

13. **Financial instruments (continued)**
 (b) *Fair values and risk management (continued)*
 (ii) Accounting classifications and fair values (continued)

	<u>Carrying Amount</u>	
	<u>Loans and receivables</u>	<u>Other financial liabilities</u>
2018	USD	USD
Financial assets not measured at fair value		
Cash and cash equivalents	18,877	-
	<u>18,877</u>	<u>-</u>
Financial liabilities not measured at fair value		
Loans from related parties	-	(51,150,000)
Other payables	-	(10,803)
	<u>-</u>	<u>(51,160,803)</u>

The carrying amounts of the financial assets and liabilities not measured at fair values estimates its fair value.

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

13. Financial instruments (continued)**(c) Financial risk management****Overview**

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

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, 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 risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Market risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has assets which are denominated in United States Dollar.

Consequently, the Company is not exposed to currency risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is not exposed to the risk of changes in market interest rates as the loans from related parties are interest free and cash and cash equivalents are not placed as deposits with banks.

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019****13. Financial instruments (continued)****(c) Financial risk management (continued)****Credit risk**

It relates to risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. 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. The Company's main credit risk concentration is its cash and cash equivalents.

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The Company's exposure to credit risk is minimal as it banks with Barclays Bank Mauritius Limited, a reputable financial institution with credit rating as per Moody's rating for short term bank deposits of Baa1.

	<u>2019</u>	<u>2018</u>
	<u>USD</u>	<u>USD</u>
Cash at bank	<u>179,153</u>	<u>18,877</u>

Liquidity risk

It relates to risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank balances and with the letter of comfort obtained from the related parties confirming that they would not request for the repayment of the principal amount until the Company has the financial capacity to repay.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2019 and 2018 based on contractual undiscounted payments:

Year ended 31 March 2019	<u>3 to 12 months</u>	<u>> 1 year</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Loans from related parties	-	50,650,000	50,650,000
Other payables	8,500	-	8,500
Total	<u>8,500</u>	<u>50,650,000</u>	<u>50,658,500</u>
Year ended 31 March 2018	<u>3 to 12 months</u>	<u>> 1 year</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Loans from related parties	-	51,150,000	51,150,000
Other payables	10,803	-	10,803
Total	<u>10,803</u>	<u>51,150,000</u>	<u>51,160,803</u>

BAYMANCO INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
*FOR THE YEAR ENDED MARCH 31, 2019***14. Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholder, return capital to the shareholder or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans from related parties; less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent.

The gearing ratio at the year-end was as follows:	2019 USD	2018 USD
Loans from related parties	50,650,000	51,150,000
Less cash and cash equivalents	<u>(179,153)</u>	<u>(18,877)</u>
Net debt	<u>50,470,847</u>	<u>51,131,123</u>
Share capital	1,000	1,000
Accumulated profits/(losses)	<u>1,123,853</u>	<u>461,274</u>
	<u>1,124,853</u>	<u>462,274</u>
Capital and net debt	<u>51,595,700</u>	<u>51,593,397</u>
Gearing ratio	97.8%	99.1%

The Company reviews its capital structure regularly in light of changes in economic conditions and development plans. The Company may commit additional funds through related party loans.

15. Related party transactions

During the year under review, the Company transacted with related entities. The nature, volume of transactions and the balance with those entities are as follows:

Nature of Relationship	Nature of Transaction	Value of transaction for the year ended 31 March 2019 USD	Debit/(Credit) at 31 March 2019 USD	Value of transaction for the year ended 31 March 2018 USD	Debit/(Credit) at 31 March 2018 USD
Entities under common control:					
Leila Lands Limited	Loan payable	-	(39,040,000)	(10,000)	(39,040,000)
Naira Holdings Limited	Loan payable	<u>500,000</u>	<u>(11,610,000)</u>	<u>500,000</u>	<u>(12,110,000)</u>

BAYMANCO INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
15. Related party transactions (continued)

Nature of Relationship	Nature of Transaction	Value of transaction for the year ended 31 March 2019 USD	Debit/ (Credit) at 31 March 2019 USD	Value of transaction for the year ended 31 March 2018 USD	Debit/ (Credit) at 31 March 2018 USD
<i>Ultimate holding company</i>					
The Bombay Burmah Trading Corporation Ltd	Amount payable	-	-	(2,303)	(2,303)
<i>Investee company</i>					
Bombay Dyeing & Manufacturing Company Ltd	Dividend Income	679,868	-	508,497	-
Management company	Professional fees	(7,585)	-	(8,060)	-
	Director fees	<u>(2,000)</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>

16. Holding and ultimate holding companies

The Company is a wholly owned subsidiary of Leila Lands Sdn. Bhd. a Company incorporated in Malaysia. The ultimate holding Company is the Bombay Burmah Trading Corporation Limited, a Company incorporated in India.

17. Consolidated financial statements

The ultimate holding Company, Bombay Burmah Trading Corporation Limited prepares consolidated financial statements, for public use, in accordance with Indian GAAP. The registered office of Bombay Burmah Trading Corporation Limited is 9, Wallace Street, Fort, Mumbai 400 001.

18. Subsequent Events

There have been no material events after the end of the reporting year which would require disclosure or adjustments to the financial statements for the year ended 31 March 2019.