

**CENTRUM CAPITAL INTERNATIONAL LIMITED**  
(FORMERLY KNOWN AS COMMONWEALTH CENTRUM ADVISORS LIMITED)

DIRECTORS' REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31ST MARCH 2019

CENTRUM CAPITAL INTERNATIONAL LIMITED  
(FORMERLY KNOWN AS COMMONWEALTH CENTRUM ADVISORS LIMITED)

REPORT OF THE DIRECTORS

The directors submit their report together with the audited consolidated financial statements for the year ended 31st March 2019. These consolidated financial statements are intended solely for the use in connection with the preparation and audit of the consolidated financial statements of Centrum Capital Limited, the ultimate shareholder of the company, for the year ended 31st March 2019.

PRINCIPAL ACTIVITIES

The company is licensed under the Hong Kong Securities and Futures Ordinance to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) activities.

The principal activities of the company are investment holding and provision of financial information services. The activity of the subsidiary company is set out in note 9 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the company and its subsidiary company ("the Group") for the year ended 31st March 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on page 6 of the consolidated financial statements.

The directors do not recommend the payment of a dividend.

PLANT AND EQUIPMENT

Details of the movements in plant and equipment of the Group are shown in note 8 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the company are shown in note 13 to the consolidated financial statements.

## DIRECTORS

The directors during the year and up to the date of this report were:

Nanavaty Alok Rajesh	
Naik Rajendra Sharadchandra	
Melwani Haresh Arjandas	(resigned on 21st September 2018)
Melwani Arjandas Hiranand	(resigned on 21st September 2018)

There being no provision in the company's Articles of Association for retirement by rotation, the remaining directors continue in office.

## DIRECTORS' INTERESTS

Except for the related party transactions as disclosed in note 15 to the financial statements, no other contracts of significance in relation to the company's business to which the company, its holding company or its subsidiary company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the company, its holding company or its subsidiary company was a party to any arrangements to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

## PERMITTED INDEMNITY PROVISION

At any time during the year and up to the date of this report, there is no permitted indemnity provision in force for the benefit of any of the directors of the company.

## MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the year.

## REDEMPTION OF THE COMPANY'S SHARE CAPITAL

On 21st September 2018, the company repurchased 3,305,282 shares from one of the shareholders, Commonwealth Finance Corporation Limited, for a consideration of HK\$10,184,357. The repurchased shares were subsequently cancelled. Details of the shares repurchased are stated in note 14 to the consolidated financial statements.

## BUSINESS REVIEW

During the year, the company was a wholly owned subsidiary of another body corporate. In accordance with section 388(3)(b) of the Hong Kong Companies Ordinance (Cap. 622), it is exempted from including a business review in this report.

CHANGE OF NAME

The company changed its name from Commonwealth Centrum Advisors Limited to Centrum Capital International Limited on 21st September 2018.

AUDITORS

The financial statements have been audited by Vincent Kwok & Co. who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

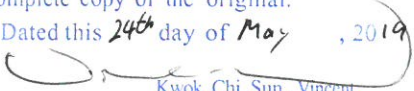


Nanavaty Alok Rajesh  
Chairman

HONG KONG, 24 MAY 2019

I, the undersigned, do hereby certify that I have examined this document with its original and that the same is a true and complete copy of the original.

Dated this 24<sup>th</sup> day of May, 2019

  
Kwok Chi Sun, Vincent  
Certified Public Accountant (Practising)  
Hong Kong  
(P.C. # P03047)



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INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDER OF  
CENTRUM CAPITAL INTERNATIONAL LIMITED  
(FORMERLY KNOWN AS COMMONWEALTH CENTRUM ADVISORS LIMITED)  
(incorporated in Hong Kong with limited liability)

**Qualified Opinion**

We have audited the consolidated financial statements of Centrum Capital International Limited ("the company") and its subsidiary company (together "the Group") set out on pages 7 to 27, which comprise the consolidated statement of financial position as at 31st March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31st March 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for qualified opinion**

As explained in note 2(a), the consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, except no comparative information has been presented in respect of preceding period for all amounts reported in the current year's financial statements. The exclusion of the comparative information in the consolidated financial statements did not comply with Hong Kong Accounting Standard 1 (Revised) "Presentation of Financial Statements" issued by HKICPA.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## **Emphasis of matter**

We draw attention to note 2(b) to the consolidated financial statements which states that the financial information presented in Indian rupees in the consolidated financial statements is only included as unaudited supplementary information and is not considered an integral part of the consolidated financial statements. Our opinion is not qualified in respect in this matter.

## **Restriction on distribution**

The consolidated financial statements are prepared to assist the preparation and audit of the consolidated financial statements of Centrum Capital Limited, the ultimate shareholder of the company, for the year ended 31st March 2019. As a result, the consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the company and Centrum Capital Limited and should not be distributed to or used by parties other than the company and Centrum Capital Limited.

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on page 1 to 2.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## **Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 HKSAAs 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 consolidated financial statements.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Cont'd)

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



Vincent Kwok & Co.

Certified Public Accountants

HONG KONG, 24 MAY 2019

CENTRUM CAPITAL INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2019


	Note	HK\$	INR (unaudited)
REVENUES	4	2,268,833	20,033,863
OTHER REVENUES	4	55,439	489,528
STAFF COSTS		(1,994,675)	(17,613,040)
ADMINISTRATIVE EXPENSES		(828,992)	(7,320,024)
CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		14,953	132,035
		<u>(2,753,275)</u>	<u>(24,311,501)</u>
LOSS BEFORE TAXATION	5	(484,442)	(4,277,638)
INCOME TAX EXPENSE	7	(20,350)	(179,691)
LOSS AFTER TAXATION		<u>(504,792)</u>	<u>(4,457,329)</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX: EXCHANGE DIFFERENCES ON TRANSLATING FOREIGN OPERATIONS		(69,464)	(613,369)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		<u>(574,256)</u>	<u>(5,070,698)</u>



CENTRUM CAPITAL INTERNATIONAL LIMITED  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31ST MARCH 2019

	Note	HK\$	INR (unaudited)
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	-	-
Available-for-sales investment	10	785	6,931
		785	6,931
<b>CURRENT ASSETS</b>			
Other receivable, deposits and prepayment		31,934	281,978
Financial assets at fair value through profit and loss	11	-	-
Amount due from a director	12	9,000	79,470
Tax recoverable		6,421	56,698
Bank balances		10,168,387	89,787,162
		10,215,742	90,205,308
<b>CURRENT LIABILITIES</b>			
Accruals		311,895	2,754,042
		311,895	2,754,042
<b>NET CURRENT ASSETS</b>			
		9,903,847	87,451,266
<b>NET ASSETS</b>			
		9,904,632	87,458,197
<b>EQUITY</b>			
<b>SHARE CAPITAL</b>			
	13	3,305,282	29,185,739
<b>RESERVES</b>			
		6,599,350	58,272,458
<b>TOTAL EQUITY</b>			
		9,904,632	87,458,197

Approved and authorised for issue by the board of directors on 24 MAY 2019



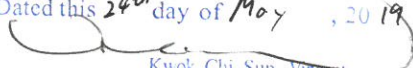
Nanavaty Alok Rajesh  
Director



Naik Rajendra  
Sharadchandra  
Director

I, the undersigned, do hereby certify that I have examined this document with its original and that the same is a true and complete copy of the original.

Dated this 24<sup>th</sup> day of May, 2019

  
 Kwok Chi Sun, Vincent  
 Certified Public Accountant (Practising)  
 Hong Kong  
 (P.C. # P03047)

CENTRUM CAPITAL INTERNATIONAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2019

	Share capital HK\$	Exchange reserve HK\$	Retained profit HK\$	Reserves HK\$	Total HK\$
At 31st March 2018	6,610,564	109,675	13,943,006	14,052,681	20,663,245
Redemption of shares during the year	(3,305,282)	-	(6,879,075)	(6,879,075)	(10,184,357)
Total comprehensive expense for the year	-	(69,464)	(504,792)	(574,256)	(574,256)
At 31st March 2019	<u>3,305,282</u>	<u>40,211</u>	<u>6,559,139</u>	<u>6,599,350</u>	<u>9,904,632</u>

	INR (unaudited)	INR (unaudited)	INR (unaudited)	INR (unaudited)	INR (unaudited)
At 31st March 2018	40,521,078	14,288,553	115,823,247	130,111,800	170,632,878
Redemption of shares during the year	(11,335,339)	(17,850,400)	(60,742,439)	(78,592,839)	(89,928,178)
Total comprehensive expense for the year	-	11,210,826	(4,457,329)	6,753,497	6,753,497
At 31st March 2019	<u>29,185,739</u>	<u>7,648,979</u>	<u>50,623,479</u>	<u>58,272,458</u>	<u>87,458,197</u>

CENTRUM CAPITAL INTERNATIONAL LIMITED  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2019

	HK\$	INR (unaudited)
Loss before income tax expense	(484,442)	(4,277,638)
Adjustments for:		
Bank interest income	(20,195)	(178,322)
Change in fair value of financial assets at fair value through profit or loss	(14,953)	(132,035)
	-----	-----
Operating loss before working capital changes	(519,590)	(4,587,995)
Decrease in other receivable, deposits and prepayment	227,093	2,005,238
Increase in amount due from a director	(1,000)	(8,830)
Increase in accruals	164,761	1,454,845
	-----	-----
Cash used in operating activities	(128,736)	(1,136,742)
Tax paid	(21,665)	(191,303)
Interest income received	20,195	178,322
Effect of foreign currency rate change	(69,464)	(613,369)
	-----	-----
Net cash used in operating activities	(199,670)	(1,763,092)
	-----	-----
<b>FINANCING ACTIVITIES</b>		
Disposal of the financial assets at fair value through profit or loss	13,929,178	122,995,059
Redemption of shares during the year	(10,184,357)	(89,928,178)
	-----	-----
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>3,744,821</b>	<b>33,066,881</b>
	-----	-----
<b>INCREASE IN BANK BALANCES</b>	<b>3,545,151</b>	<b>31,303,789</b>
<b>BANK BALANCES AT 1ST APRIL 2018/ 2017</b>	<b>6,623,244</b>	<b>58,483,443</b>
Effect of foreign exchange rate change	(8)	(70)
	-----	-----
<b>BANK BALANCES AT 31ST MARCH 2019/ 2018</b>	<b>10,168,387</b>	<b>89,787,162</b>
	=====	=====

## CENTRUM CAPITAL INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 1 GENERAL INFORMATION

Centrum Capital International Limited is a company incorporated in Hong Kong with limited liability. Its registered office is located at 19/F., D, The Hive, The Phoenix Building, 23 Luard Road, Wan Chai, Hong Kong.

It is a wholly owned subsidiary company and its ultimate holding company is Centrum Capital Limited, a listed company in The Republic of India. The company is licenced under section 116(1) of the Hong Kong Securities and Futures Ordinance to carry out Type 1 and Type 4 regulated activities.

These consolidated financial statements are intended solely for the use of Centrum Capital Limited for the preparation and audit of its consolidated financial statements for the year ended 31st March 2019. These consolidated financial statements are not the annual statutory consolidated financial statements of the company.

#### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

##### (a) Basis of preparation

These are not the statutory consolidated financial statements of the company and they have been prepared solely for the use in connection with the preparation and audit of the consolidated financial statements of Centrum Capital Limited. These consolidated financial statements have been prepared in accordance with all applicable HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong, except no comparative information has been presented in respect of preceding period for all amounts reported in the current year's financial statements.

##### (b) Functional and presentation currency

The consolidated financial statements are reported in Hong Kong dollar which is the same as the functional currency of the company.

The consolidated financial statements are also presented in Indian rupees by translating the Hong Kong dollar into Indian rupees at the exchange rate of HK\$1 to INR8.83003 throughout these consolidated financial statements. The financial information presented in Indian rupees in the consolidated financial statements is only included as unaudited supplementary information and is not considered an integral part of the consolidated financial statements.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (c) Revenues recognition

Revenues are measured at the fair value of the consideration received or receivable and presents amounts receivable for services provided in the normal course of business according to the terms of the agreement.

- i. performance fee income is recognised in accordance with the substance of the relevant agreement in place;
- ii. management fee and information services fee income are recognised in accordance with the substance of the relevant agreement in place; and
- iii. interest income is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

### (d) Subsidiary companies

Subsidiary company is those entities in which the company, directly or indirectly, controls the composition of the board of directors, controls more than half of the voting power or holds more than half of the issued share capital.

Investment in the subsidiary company is stated at cost less provision, if necessary, for any impairment, plus amount due from/ to the relevant company.

The results of the subsidiary company are accounted for by the company on the basis of dividends received and receivable.

### (e) Plant and equipment

Office equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

The depreciable amount of an item of office equipment is allocated on a systematic basis over its estimated useful life using the straight line method at the rate of 25% per annum.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (f) Financial assets

#### (a) Categories of financial assets

The company classifies its financial assets in the following categories: financial assets through profit or loss and cash and cash equivalents.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

#### (i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held-for-trading and those designated at fair value through profit or loss at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months to the end of the reporting period.

#### (ii) Cash and Cash Equivalents

Cash comprises of cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (b) Recognition and measurement

Purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Investments are initially measured at fair value plus transaction costs for all financial assets except those that are carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed.

Financial assets at fair value through profit or loss are subsequently carried at their fair values.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are recognised in profit or loss in the period in which they arise.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (f) Financial assets (Cont'd)

#### (b) Recognition and measurement (Cont'd)

When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in profit or loss as gains and losses on financial assets.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flows analysis, and option pricing models refined to reflect the issuer's specific circumstances.

#### Impairment of financial assets

##### (i) Financial assets at fair value through profit or loss

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss.

If the fair value of a previously impaired debt security classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed and the reversal recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss.

##### (ii) Financial assets carried at amortised cost

For loans and receivables category, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (f) Financial assets (Cont'd)

#### (b) Recognition and measurement (Cont'd)

##### (ii) Financial assets carried at amortised cost (Cont'd)

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 previously recognised impairment loss is reversed related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### (g) Taxation

Income tax expense comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the company operates.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary difference and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets is realised, based on the tax rate and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (h) Employee benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the financial position date. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

The employees of the subsidiary company which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. This subsidiary company is required to contribute a fixed percentage of its payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the central pension scheme.

### (i) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the date of statement of financial position are translated at rates of exchange ruling at the date of statement of financial position. Exchange differences arising in these cases are dealt with in the statement of profit or loss and other comprehensive income.

### (j) Operating lease

Lease where substantially all the rewards and risks of ownership of assets remain with the leasing company is accounted for as an operating lease. Rentals applicable to such operating lease are charged to the statement of profit or loss and other comprehensive income on a straight line basis over the lease term.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONT'D)

### (k) Related parties

For the purpose of these consolidated financial statements, related party includes a person and entity as defined below:

- (a) A person, or a close member of that person's family, is related to the company if that person:
  - (i) has control or joint control over the company;
  - (ii) has significant influence over the company; or
  - (iii) is a member of the key management personnel of the company or the company's parent.
  
- (b) An entity is related to the company if any of the following conditions applies:
  - (i) the entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect of the amounts recognised in the consolidated financial statements.

#### Impairment of available-for-sale investment

The Group requires significant judgement on determining when the available-for-sale investment is other than temporarily impaired. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

#### Income taxes

The Group is subjected to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. Transactions and calculations may exist for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### 4 REVENUES AND OTHER REVENUES

The principal activities of the company are investment holding and provision of financial information services. The activity of the subsidiary company is set out in note 9 to the consolidated financial statements. Total revenues (representing revenues and other revenues of the Group) recognised during the year are as follows:

	2019	
	HK\$	INR (unaudited)
Revenues		
Management fee	618,540	5,461,727
Services fee income	1,650,293	14,572,136
	<u>2,268,833</u>	<u>20,033,863</u>
Other revenues		
Interest on fixed deposits	17,299	152,751
Bank interest income	2,896	25,572
Other income	15,541	137,227
Exchange gain	19,703	173,978
	<u>55,439</u>	<u>489,528</u>
Total revenues	<u>2,324,272</u>	<u>20,523,391</u>

#### 5 LOSS BEFORE TAXATION

	2019	
	HK\$	INR (unaudited)
Loss before taxation is stated after charging the following:		
Auditors' remuneration	93,116	822,217
Office premises rent under an operating lease	96,000	847,683
Staff costs (excluding directors' emoluments)		
Salaries and allowances	742,275	6,554,310
Housing allowance	276,000	2,437,088
Mandatory provident fund contributions	18,000	158,940
	<u>1,125,391</u>	<u>10,820,238</u>

## 6 DIRECTORS' EMOLUMENTS

Remuneration of the company's directors disclosed pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) is as follows:

	2019	
	HK\$	INR
	(unaudited)	
Directors' emoluments for services as directors of the company and its subsidiary company undertakings:		
Directors' fees	23,400	206,623
Directors' other emoluments in connection with the management of the affairs of the company and its subsidiary company undertakings	788,000	6,958,064
Directors' quarter expenses	129,000	1,139,074
Mandatory provident fund contributions	18,000	158,940
	<u>958,400</u>	<u>8,462,701</u>

## 7 INCOME TAX EXPENSE

The amounts of income tax expenses in the statement of profit or loss and other comprehensive income represent:

	2019	
	HK\$	INR
	(unaudited)	
Overseas taxation:		
- Provision for the year	20,350	179,691
	<u>20,350</u>	<u>179,691</u>

Hong Kong profits tax has not been provided as the company has no estimated assessable profit for the year. (2018: Nil). Tax on profits of its overseas subsidiary company is provided for in accordance with relevant local laws at the applicable rates.

On 21st March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 ("the Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March 2018 and was gazetted on the following day.

Under the two-tiered Hong Kong profits tax rates regime, the first HK\$2,000,000 of assessable profit of the company will be taxed at half the current tax rate (i.e. 8.25%) whilst the remaining assessable profit will continue to be taxed at the existing 16.5% tax rate.

The two-tiered Hong Kong profits tax rates regime apply to corporations commencing from the year of assessment 2018/19 (i.e. annual reporting periods ending on or after 1st April 2018).

7 INCOME TAX EXPENSE (CONT'D)

Reconciliation between income tax expense and accounting loss at applicable tax rates:

	2019	
	HK\$	INR (unaudited)
Loss before taxation	(484,442)	(4,277,638)
	=====	=====
Tax at the applicable tax rate of 8.25% (2017: 16.5%)	(39,966)	(352,905)
Tax effect on non-deductible expenses	1,703	15,038
Tax effect on income not subjected to taxation	(4,102)	(36,220)
Effect of different tax rate of the subsidiary company operating in other jurisdiction	17,028	150,358
Effect of tax exemptions granted to the subsidiary company	(28,135)	(248,431)
Under provision of tax for the subsidiary company	13,315	117,572
Tax effect of tax losses not recognised	-	
Tax effect on tax loss carried forward to set-off against future assessable profit not provided for	60,507	534,279
	-----	-----
Income tax expense	20,350	179,691
	=====	=====

Deferred tax assets are recognised for tax losses forward to the extent that the realisation of the related tax benefits through future taxable profits are probable. The Group did not recognise deferred tax assets in respect of tax losses in Hong Kong amounting to HK\$12,270,815 (INR108,351,664 (unaudited)) due to unpredictability of future profits streams. These losses can be carried forward against future taxable income indefinitely. They are subjected to agreement by the Inland Revenue Department.

8 PLANT AND EQUIPMENT

	Office equipment HK\$	INR (unaudited)
Cost		
At 1st April 2017	10,161	89,722
Exchange adjustment	92	812
	-----	-----
At 31st March 2018	10,253	90,534
Exchange adjustment	-	-
	-----	-----
At 31st March 2019	10,253	90,534
	-----	-----
Accumulated depreciation		
At 1st April 2017	7,620	67,285
Charge for the year	2,553	22,543
Exchange adjustment	80	706
	-----	-----
At 31st March 2018	10,253	90,534
Exchange adjustment	-	-
	-----	-----
At 31st March 2019	10,253	90,534
	=====	=====
Net asset value		
At 31st March 2019	-	-
	=====	=====
At 31st March 2018	-	-
	=====	=====

9 INVESTMENT IN THE SUBSIDIARY COMPANY

The company incorporated a wholly owned subsidiary company, CCAL Investment Management Limited. ("CCALIM"), with an issued share capital of US\$50,001. CCALIM is a private company incorporated in Republic of Mauritius and duly licensed by the Financial Services Commission of Republic of Mauritius as an investment manager.

10 AVAILABLE-FOR-SALE INVESTMENT

	2019	
	HK\$	INR (unaudited)
Level 3		
Investment in Progressive India Fund, at cost	785	6,931
	=====	=====
	(equivalent to US\$100)	

The Group holds 100 management shares of US\$1 each of Progressive India Fund (“the Fund”) which is a public company incorporated in Republic of Mauritius. The Fund has been duly licensed by the Financial Services Commission of Republic of Mauritius as an open-ended India focused fund.

The investment has been valued in the basis of cost as the directors are of the opinion that the fair value of the investment approximates its cost.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	
	HK\$	INR (unaudited)
Unquoted (Level 2)		
<i>Freehold:</i>		
As at 1st April 2018/2017	13,914,225	122,823,024
<i>1 year lock-in:</i>		
Acquired during the year	-	-
	-----	-----
	13,914,225	122,823,024
Change in fair value	14,953	132,035
Disposal	(13,929,178)	(122,995,059)
Exchange adjustment	-	-
	-----	-----
As at 31st March 2019/ 2018	-	-
	=====	=====

For the year ended 31st March 2019, the Group did not receive any performance fees. For the year ended 31st March 2018, the Group was entitled to performance fees of HK\$7,365,118 (US\$769,757.51) based on the Net Asset Value of the Fund of each unit valued at HK\$155,118.614 (US\$19,887.001765) and Class A Series 1 Performance Shares of 38.706564 were issued to the Group, in lieu of cash payment.

During the year ended 31st March 2019, the total of 95.465745 shares held as investment in the Fund, were revalued based on the Net Asset Value of the Fund at the same date which amounted to HK\$145,147.633 (US\$18,608.674766) each and fair value gain of HK\$14,953 (US\$1,917) arose. During the year ended 31st March 2019, the Company disposed of all of its investments in the Fund.

The performance profit allocated to the performance shares at the end of the relevant performance period of 31st December of the Fund, shall be redeemable at the option of the holder of performance shares after a period of one year from end of the relevant performance period.



12 AMOUNT DUE FROM A DIRECTOR

Disclosures pursuant to Section 383(1) of the Hong Kong Companies Ordinance (Cap. 622) are as follows:

Director	2019		Maximum amount outstanding during the year HK\$/ INR (unaudited)
	HK\$	INR (unaudited)	
Nanavaty Alok Rajesh	9,000	79,470	9,000/ 79,470
	=====	=====	

The amount due from a director is unsecured, interest free and repayable on demand.

13 SHARE CAPITAL

	2019	
	HK\$	INR (unaudited)
Issued and fully paid:		
3,305,282 shares	3,305,282	29,185,739
	=====	=====

On 21st September 2018, the company repurchased 3,305,282 shares from one of the shareholders, Commonwealth Finance Corporation Limited, for a consideration of HK\$10,184,357 (INR 89,928,178). The repurchased shares were subsequently cancelled.

14 LEASING ARRANGEMENTS

The company is a lessee under an operating lease. Details of the company's commitments under the non-cancellable operating lease are set out as follows:

The company leases its office premises under an operating lease.

During the year, HK\$96,000 (2017: HK\$Nil) was recognised as an expense in the statement of profit or loss and other comprehensive income in respect of the leasing of the office premises.

The total future minimum lease payments under the non-cancellable operating lease are payable as follows:

	2019	
	HK\$	INR (unaudited)
Within one year	64,000	565,122
	=====	=====

## 15 RELATED PARTY TRANSACTIONS

During the year, the Group undertook the following transactions with related parties in the normal course of its business:

The Group has placed deposits of fixed and general deposit with Commonwealth Finance Corporation Limited ("CFC"), one of the two joint venture parties of the company before the year ended 31st March 2019. As at 31st March 2019, the Group had placed general deposits amounted to US\$1,148,309.35 and HK\$46,208.26 in CFC. The interest received from CFC has not included as a related party transaction as directors consider CFC was no longer be the company shareholder since 21st September 2018.

## 16 CAPITAL RISK MANAGEMENT

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

In order to maintenance or adjust the capital structure, the company may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares sell assets to reduce debts. The capital structure of the Group consists of share capital, exchange reserve and retained profit.

The company is a licensed company under the Hong Kong Securities and Futures Commission (the "SFC") and is subject to capital requirement imposed by the SFC in Hong Kong. During the year ended 31st March 2019, the company complied with the capital requirement imposed by the SFC.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk and liquidity risk. These risks are limited by the Group's financial management policies and practices described below:

### a) Financial risk factors

#### 1) Credit risk

The Group's principal financial assets are cash and cash equivalents and financial assets at fair value through profit or loss. The amounts are due from bank with good credit ratings and investee is in a good financial position. The Group's exposure to the credit risk is minimal.

## 16 FINANCIAL RISK MANAGEMENT

### 2) Liquidity risk

The Group has a system of control in place to enable the company to maintain the liquid capital required by the Hong Kong Securities and Future (Financial Resources) Rules. The Group's policy is to regularly monitor current and expected liquidity requirement to ensure that it maintains sufficient reserves of cash and current working capital to meet its liquidity requirement in the short and longer term.

All of the Group's financial liabilities at the balance sheet date are due within one year or on demand.

### 3) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing financial assets and liabilities except for the fixed deposit, detail of which have been disclosed in note 20(b) to the consolidated financial statements. The interest rate risk is considered to be insignificant.

### 4) Currency risk

Currency risk to the Group is minimal as most of the Group's transactions are carried out of Hong Kong dollars and United States dollars as the exchange rate between HKD and USD is pegged.

### b) Fair value estimation

All financial instrument are carried at amount not materially different from their fair value at 31st March 2019 and 2018.

## 17 SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities as recognised at 31st March 2019 and 2018 may be categorised as follows:

	2019 HK\$	INR (unaudited)
<u>Financial assets</u>		
Loan and receivables (including bank balances)	10,178,387	89,875,462
Available for sales investment and financial assets at fair value through profit or loss	785	6,931
	=====	=====
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	311,895	2,754,042
	=====	=====

17 SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (CON’T)

HKFRS 7 requires disclosures for financial instruments that are measured at fair value by level of the following fair value measurement hierarchy:

- Level 1: - Quoted prices in active markets for identical assets or liabilities;
- Level 2: - Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: - Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other instruments, the company uses cost price of the financial instruments. Upon receipt of quoted market price, the investments are measured at fair value.

The following table analyses within the fair value hierarchy the company's financial assets measured at fair value hierarchy:

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
<u>At 31st March 2019</u>				
Available-for-sale investment	-	-	785	785
	=====	=====	=====	=====
	INR (unaudited)	INR (unaudited)	INR (unaudited)	INR (unaudited)
<u>At 31st March 2019</u>				
Available-for-sale investment	-	-	6,931	6,931
	=====	=====	=====	=====

During the year ended 31st March 2019, the Level 2 financial assets at fair value through profit or loss had been fully disposed of.

18 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS THAT HAVE BEEN ISSUED BUT NOT YET EFFECTIVE

Up to the date of issue these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the accounting year ended 31st March 2019 and which have not been adopted in these financial statements.

The company is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption is unlikely to have a significant impact on the company's result of operations and financial position.