

Independent Auditors' Report

To the Directors of
EW Special Opportunities Advisors LLC

Report on the Financial Statements

We have audited the accompanying financial statements of **EW Special Opportunities Advisors LLC** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.

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

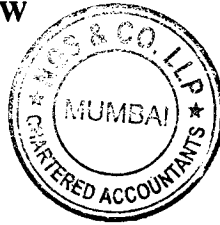


R.P.Soni
Partner

Membership No. 104796

Place: Mumbai

Date: 15 May 2017



EW Special Opportunities Advisors LLC

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	21,269,527	21,269,527
Reserves and surplus	2.2	(13,808,387)	(13,822,603)
		<u>7,461,140</u>	<u>7,446,924</u>
Current liabilities			
Trade payables		307,603	499,653
Other current liabilities	2.3	-	26,094,899
		<u>307,603</u>	<u>26,594,551</u>
TOTAL		<u>7,768,743</u>	<u>34,041,475</u>
ASSETS			
Non-current assets			
Non-current investments	2.4	8,453	8,648
		<u>8,453</u>	<u>8,648</u>
Current assets			
Trade receivables	2.5	2,593,544	-
Cash and cash equivalents	2.6	4,887,048	15,836,800
Short-term loans and advances	2.7	279,698	18,196,027
		<u>7,760,290</u>	<u>34,032,827</u>
TOTAL		<u>7,768,743</u>	<u>34,041,475</u>

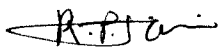
Significant accounting policies and notes to the financial statements.

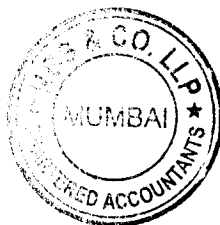
1 & 2

As per our report of even date attached.

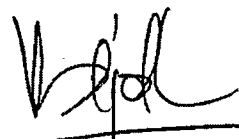

For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

For and on behalf of the Board of Directors


R. P. Soni
Partner
Membership No.: 104796



Mumbai
Date: 15 May 2017



Director Director

EW Special Opportunites Advisors LLC

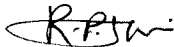
Statement of profit and loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Advisory fee income		2,683,584	8,386,667
Total revenue		2,683,584	8,886,667
Expenses:			
Finance cost	2.8	108,409	130,644
Other expenses	2.9	2,398,614	2,909,445
Total expenses		2,507,023	3,040,089
Profit before tax		176,561	5,846,578
Tax expense:			
Current tax		-	-
Profit for the year		176,561	5,846,578
Earnings per Class A shares (par value USD 1 each)			
Basic	2.11	4.73	156.69
Diluted		4.73	156.69
Significant accounting policies and notes to the financial statements	1 & 2		

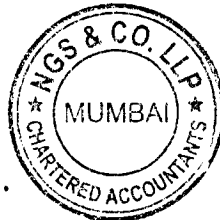
As per our report of even date attached.

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





R. P. Soni
Partner
Membership No.: 104796

Mumbai
Date: 15 May 2017



For and on behalf of the Board of Directors


Director


Director

EW Special Opportunities Advisors LLC

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before taxation	176,561	5,846,578
Operating cash flow before working capital changes	176,561	5,846,578
<i>Adjustments for working capital changes</i>		
(Decrease)/increase in short term loans and advances	6,446	(16,171)
Decrease in current liabilities and provisions	(26,286,948)	(8,874,303)
Increase in trade receivable	(2,893,643)	-
Cash used in operations	(28,697,485)	(3,043,896)
Income taxes paid	-	301,079
Net cash used in operating activities - A	(28,697,485)	(2,742,817)
B Cash flow from investing activities		
Proceeds from/(repayment of) loan given (refer note below)	17,909,883	(1,010,367)
Net cash generated from/(used in) investing activities - B	17,909,883	(1,010,367)
C Cash flow from financing activities		
Proceeds from issue of share capital	-	19,554,618
Net cash generated from financing activities - C	-	19,554,618
D Change in foreign exchange translation reserve - D	(162,160)	(294,045)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	(10,949,762)	15,587,389
Cash and cash equivalent as at the beginning of the year	15,836,800	329,411
Cash and cash equivalent as at the end of the year (Refer note 1)	4,887,038	15,836,800

Notes:

1. Cash and cash equivalents include the following:

Balances with banks:
In current accounts

4,887,038 15,836,800

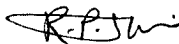
Total of cash and cash equivalents

4,887,038 15,836,800

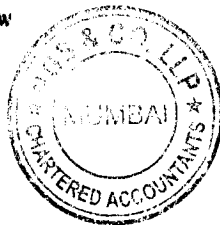
2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

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





R.P. Soni
Partner
Membership No.: 104796



Mumbai
Date: 15 May 2017

For and on behalf of the Board of Directors


Director


Director

EW Special Opportunities Advisors LLC

Notes to the financial statements

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

1.2 Use of estimates

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

1.3 Revenue recognition

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

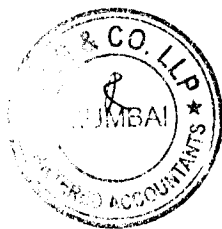
1.4 Impairment of assets

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

1.5 Taxation

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

Current tax



EW Special Opportunities Advisors LLC

Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies *(continued)*

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

Deferred tax

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

1.6 Earnings per share

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

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

1.7 Provisions and contingencies

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

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

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

1.8 Investments

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

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



EW Special Opportunities Advisors LLC

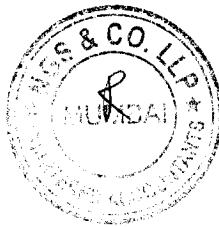
Notes to the financial statements *(continued)*

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies *(continued)*

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



EW Special Opportunities Advisors LLC

Notes to the financial statements (continued)

(Currency Indian rupees)

2.1 Share capital

Authorised :

	As at 31 March 2017	As at 31 March 2016
37,313 (Previous year: 37,313) Class A shares of USD 1 each	1,705,980	1,705,980
305,100 (Previous year: 305,100) Class B shares of USD 1 each	19,559,070	19,559,070
100 (Previous year: 100) Class C shares of USD 1 each	4,477	4,477
	21,269,527	21,269,527

Issued, subscribed and fully paid up:

	As at 31 March 2017	As at 31 March 2016
37,313 (Previous year: 37,313) Class A shares of USD 1 each	1,705,980	1,705,980
305,100 (Previous year: 305,100) Class B shares of USD 1 each	19,559,070	19,559,070
100 (Previous year: 100) Class C shares of USD 1 each	4,477	4,477
	21,269,527	21,269,527

The movement in share capital during the year :

Class A	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	37,313	1,705,980	37,313	1,705,980
Issued during the year	-	-	-	-
As at the end of the year	37,313	1,705,980	37,313	1,705,980

Class B

Class B	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	305,100	19,559,070	100	4,452
Issued during the year	-	-	305,000	19,554,618
As at the end of the year	305,100	19,559,070	305,100	19,559,070

Class C

Class C	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	100	4,477	100	4,477
Issued during the year	-	-	-	-
As at the end of the year	100	4,477	100	4,477

Terms/rights attached to class A shares:

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

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

Terms/rights attached to class B and class C shares:

Class B and Class C shares are non voting but have a right to receive notice and to vote on a poll at a meeting of Class B and Class C shareholders only in cases where a vote is taken on matters which will vary and affect the rights of Class B and Class C shareholders. The holders of Class B and Class C shares are entitled to distribution (by way of dividend or otherwise) as per their Class A ownership percentage, unless otherwise mutually agreed between the parties in writing.

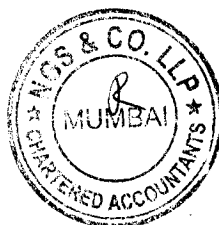
In the event of liquidation of the Company, the holders of Class B and Class C shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Details of Shareholders holding more than 5% shares

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares	Percentage of total number of shares	No. of shares	Percentage of total number of shares
Class A shares				
EAAA LLC	25,000	67	25,000	67
Omnipus Holdings	12,313	33	12,313	33
Class B shares				
EAAA LLC	305,100	100	305,100	100
Class C shares				
Omnipus Holdings	100	100	100	100

2.2 Reserves and surplus

	As at 31 March 2017	As at 31 March 2016
Foreign exchange translation reserve	3,230,396	3,392,741
Deficit in statement of profit and loss		
Opening balance	(17,215,344)	(23,061,922)
Add/(less) profit for the year	176,561	5,846,578
Closing balance	(17,038,782)	(17,215,344)
	(13,808,387)	(13,822,603)



EW Special Opportunites Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.3 Other current liabilities		
Refund due to customer	-	26,094,899
	<u>-</u>	<u>26,094,899</u>



EW Special Opportunities Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.4 Non-current investments - at cost	As at 31 March 2017			As at 31 March 2016		
	Quantity	Face value	Amount	Quantity	Face value	Amount
Other non-current investments, unquoted						
Investments in shares of other companies (fully paid up)						
Management shares						
EW Special Opportunities Fund LLC*	999	0.01 USD	648	999	0.01 USD	663
Class B shares						
EW Special Opportunities Fund LLC*	12,038	0.01 USD	7,905	12,038	0.01 USD	7,985
			<u>8,453</u>			<u>8,648</u>
Aggregate of unquoted investment						
- At book value			8,453			8,648

* Change in amount of investment is due to foreign currency translation



EW Special Opportunites Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.5 Trade receivables		
Other debts		
Unsecured, considered good	2,593,544	-
	<u>2,593,544</u>	<u>-</u>
2.6 Cash and cash equivalents		
Balances with banks		
- in current accounts	4,887,048	15,836,800
	<u>4,887,048</u>	<u>15,836,800</u>
2.7 Short-term loans and advances		
Other loans and advances		
Prepaid expenses	279,698	286,144
Advance to EAAA LLC	-	17,909,883
	<u>279,698</u>	<u>18,196,027</u>



EW Special Opportunites Advisors LLC

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.8 Finance cost		
Bank charges	108,409	130,644
	<u>108,409</u>	<u>130,644</u>
2.9 Other expenses		
Auditors' remuneration (refer note 2.13)	111,872	481,793
Communication	8,373	10,893
Directors' fees	635,824	814,990
Legal and professional fees	976,825	971,933
License fees	253,934	247,741
Secretarial charges	54,144	52,830
Registered address charges	36,003	35,129
Miscellaneous expenses	321,640	294,136
	<u>2,398,614</u>	<u>2,909,445</u>



EW Special Opportunities Advisors LLC

Notes to the financial statement (continued)

(Currency: Indian rupees)

2.10 Segment reporting

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

2.11 Earnings per share

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
a) Shareholders earnings (as per statement of profit and loss)	1,76,561	58,46,578
b) Calculation of weighted average number of Class A Shares of USD 1 each:		
– Number of shares at the beginning of the year	37,313	37,313
– Shares issued during the year (number of shares issued)	-	-
Total number of Class A shares outstanding at the end of the year	37,313	37,313
Weighted average number of Class A shares outstanding during the year (based on the date of issue of shares)	37,313	37,313
Nominal value per share in USD	1	1
c) Basic and diluted earnings per share (in rupees) (a/b)	4.73	156.69

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

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

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

Edelweiss Financial Services Limited
EC International Limited

Ultimate holding company
Holding company



EW Special Opportunities Advisors LLC

Notes to the financial statements (Continued)
for the year ended 31 March 2017

(Currency : Indian rupees)

2.12 Related Parties (continued)
(A) Transactions and balances with related parties:

Particulars	For the year ended 31march2017	For the year ended 31march2016
<i>Current account transactions</i>		
Reimbursement of expenses		
EAAA LLC	-	19,554,618
Advisory fees income		
EC Global Limited	2,683,584	-
EW Special Opportunity Fund	-	8,886,667
Short term loans and advances (Assets) received		
EAAA LLC	18,114,192	-
Other current liabilities		
EW Special Opportunity Fund LLC	-	26,094,739
<i>Balances with related parties</i>		
Investment		
EW Special Opportunity Fund LLC - Management Shares	648	663
EW Special Opportunity Fund LLC - Class B Shares	7,805	7,985
Short term loans and Advances (Assets)		
EAAA LLC	-	17,909,883

Note: 1 Loan given/taken from related parties are disclosed based on the maximum incremental amount given/taken during the reporting period.
2 Current and capital account transactions are reported at average rate and balance sheet items are reported at closing rate.



EW Special Opportunities Advisors LLC

Notes to the financial statement (continued)

(Currency: Indian rupees)

EAAA LLC Holding company
(B) Name of fellow subsidiaries with whom transaction has taken place
EC Global Limited

2.13 Auditors' remuneration

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditors	1,11,872	4,81,793
Total	1,11,872	4,81,793

2.14 Capital commitments and contingent liabilities

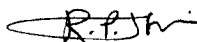
The Company has no capital commitments and contingent liabilities as at the balance sheet date (Previous year Rs. Nil).

2.15 Disclosure under Schedule III of the Companies Act

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

As per our Report of even date attached.

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



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



For and on behalf of the Board of Directors


Director
Director