

PF WORLD LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	Year ended 31 March 2019 USD	Year ended 31 March 2018 USD
ASSETS			
Non current asstes			
Investments in subsidiary	4 (a)	17,367,181	17,367,181
Convertible preferred equity certificates	4 (b)	17,300,000	17,300,000
Optionally convertible redeemable preference	4 (c)	46,977,703	-
Loan to fellow subsidiaries	4 (d)	-	47,950,000
Share application monies	4 (e)	18,810,788	18,810,788
Other long term receivables	5	1,612,000	1,612,000
		<u>102,067,672</u>	<u>103,039,969</u>
Current assets			
Other current financial assets	6	5,322,064	3,149,299
Cash at bank		81,372	82,540
		<u>5,403,436</u>	<u>3,231,839</u>
TOTAL ASSETS		<u>107,471,108</u>	<u>106,271,808</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	7	76,772,396	91,771,996
Accumulated profit		1,331,924	2,756,937
		<u>78,104,320</u>	<u>94,528,933</u>
Non current liabilities			
Other non-current financial liabilities	8	11,335,000	11,335,000
		<u>11,335,000</u>	<u>11,335,000</u>
Current liabilities			
Borrowing (current)		14,837,384	-
Other current financial liabilities	9	3,194,404	407,875
		<u>18,031,788</u>	<u>407,875</u>
TOTAL EQUITY AND LIABILITIES		<u>107,471,108</u>	<u>106,271,808</u>

As per our report of even date
For V. Shivkumar & Associates
Chartered Accountants
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
May 25, 2019

Nishant Fadia

PF WORLD LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Year ended 31 March 2019 USD	Year ended 31 March 2018 USD
Income		1,220,646	764,820
Expenses	10	2,645,659	255,602
Profit before tax		(1,425,013)	509,219
Tax	11	-	-
Profit after tax		(1,425,013)	509,219
Other comprehensive income		-	-
Total comprehensive income for the year		(1,425,013)	509,219
Profit per share	12	(13.44)	4.80

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Mumbai
May 25, 2019

Nishant Fadia

PF WORLD LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Stated capital USD	Optionally convertible preference shares USD	Accumulated profit / (loss) USD	Total USD
Balance at 01 April 2017	106,000	109,932,500	2,247,719	112,286,219
Reduction	-	(18,266,504)	-	(18,266,504)
Total comprehensive income for the year	-	-	509,219	509,219
Balance at 31 March 2018	106,000	91,665,996	2,756,937	94,528,933
Reduction	-	(14,999,600)	-	(14,999,600)
Total comprehensive income for the year	-	-	(1,425,013)	(1,425,013)
Balance at 31 March 2019	106,000	76,666,396	1,331,924	78,104,320

As per our report of even date

For V. Shivkumar & Associates
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V. Shivkumar
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Mumbai
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PF WORLD LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Year ended 31 March 2019 USD	Year ended 31 March 2018 USD
Cash flows from operating activities		
(Loss) / Profit for the year	(1,425,013)	509,219
Unrealized foreign exchange (gain) / loss (net)	(162,516)	-
Operating loss before working capital changes	(1,587,530)	509,219
(Increase)/decrease in other receivables	(1,200,467)	6,507,801
(Decrease) /Increase in current liabilities	2,786,529	6,695,963
Net cash absorbed by operating activities	(1,468)	13,712,982
Cash flows from investing activities		
Share application money	-	14,499,902
Investments through loan	-	(10,085,000)
Net cash flows from investing activities	-	4,414,902
Cash flows from financing activities		
Short-term loan from Sub - subsidiary	14,999,900	-
Repayment of redeemable preference shares	(14,999,600)	(18,266,504)
Net cash from financing activities	300	(18,266,504)
Net movement in cash and cash equivalents	(1,168)	(138,620)
Cash and cash equivalents at beginning of year	82,540	221,160
Cash and cash equivalents at end of year	81,372	82,540
Cash and cash equivalents consist of:		
Cash at bank	81,372	82,540

As per our report of even date

For V. Shivkumar & Associates
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(Proprietor)
Membership No. 042673
Mumbai
May 25, 2019

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PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Corporate information

PF World Limited (the “Company”) was incorporated in the Republic of Mauritius on November 10, 2010 as a private company with liability limited by shares in accordance with Companies Act 2001. The Company holds a Category 1, Global Business License as issued by the Financial Services Commission and is governed by the Financial Services Act 2007. The Company’s registered office is at C/o Amicorp Mauritius Limited, 6th floor, Tower 1, Nexteracom Buildings, Ebene, Mauritius.

The principal activity of the Company is to act as an investment holding company. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, the Company has chosen to retain the United States Dollars (USD) as its reporting currency.

2. Statement of significant accounting policies:

a. Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as ‘Ind AS’). The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. Dividend income and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

d. Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

e. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

f. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates (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.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

g. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

h. Cash Flow statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4 INVESTMENTS

(a) Investment in subsidiary

A subsidiary is an entity in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity. Investment in subsidiary is shown at cost. 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 charged to the statement of profit or loss and other comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income. There was no movement in investment during the year under review.

The directors are of the opinion that the fair value of the investment approximate its cost.

	2019	2018
	USD	USD
Opening balance	17,367,181	17,367,181
Closing balance	17,367,181	17,367,181

Details of investee company:	No. of shares	Class of shares	Percentage holding	Country of incorporation	Amount USD
Prime Focus Luxembourg S.a.r.l	17,320,000	Equity	100%	Luxembourg	17,367,181

The Company has taken advantage of the exemption provided by the Mauritian Companies Act 2001 allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are therefore separate financial statements which contain information about PF World Limited an individual company and not contain consolidated financial information as the parent of a group.

(b) Convertible Preferred Equity Certificates

	2019	2018
	USD	USD
Prime Focus Luxembourg S.a.r.l	17,300,000	17,300,000

(c) Optionally convertible redeemable preference

	2019	2018
	USD	USD
De-Fi Media Limited	46,977,703	-

(d) Loan to fellow subsidiaries

De-Fi Media Limited	2019	2018
	USD	USD
Opening balance	47,950,000	23,950,000
Addition during the year	-	24,000,000
Converted to optionally convertible redeemable preference	(46,977,703)	-
Transferred to current account	(972,297)	-
At year end	-	47,950,000

Reliance Lowry Digital Imaging Services, Inc	2019	2018
	USD	USD
Opening balance	-	12,665,000
Assigned to Reliance Media Work (Mauritius) limited	-	12,665,000
At year end	-	-

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Prime Focus World N.V.	2019	2018
	USD	USD
Opening balance	-	1,250,000
Considered under other receivable	-	1,250,000
At year end	<u>-</u>	<u>-</u>

(e) Share application monies

The Company has subscribed for share in Prime Focus World N.V., Netherlands but allotment are yet to be made:

	2019	2018
	USD	USD
Opening balance	18,810,788	33,310,690
Repaid during the year	-	(14,499,902)
	<u>18,810,788</u>	<u>18,810,788</u>

5. OTHER NON-CURRENT RECEIVABLES

	2019	2018
	USD	USD
Other receivable	1,612,000	1,612,000
	<u>1,612,000</u>	<u>1,612,000</u>

6. OTHER CURRENT FINANCIAL ASSETS

	2019	2018
	USD	USD
Receivable from group companies	3,808,079	3,149,299
Other receivables	1,500,000	-
Prepayments	13,985	-
	<u>5,322,064</u>	<u>3,149,299</u>

7. STATED CAPITAL

	2019	2018
	USD	USD
106,000 Ordinary Shares of USD 1 each	<u>106,000</u>	<u>106,000</u>

7. REDEEMABLE PREFERENCE SHARES

	2019	2018
	USD	USD
12% Optionally Convertible Preference Shares of USD 1 each	<u>76,666,396</u>	<u>91,665,996</u>

The preference shares have:

- (a) no voting rights
- (b) preferential rights over the ordinary shares in the distribution of dividends
- (c) preferential rights over the ordinary shares in the distribution of the surplus assets of the company

8. OTHER NON-CURRENT FINANCIAL LIABILITIES

	2019	2018
	USD	USD
Other payables to group companies	11,335,000	11,335,000
	<u>11,335,000</u>	<u>11,335,000</u>

9. BORROWING - CURRENT

	2019	2018
	USD	USD
Short-term borrowing from group company	14,837,384	-
	<u>14,837,384</u>	<u>-</u>

Loans from group company is short term and unsecured at an interest rate of 5% and are repayable on demand.

10. OTHER CURRENT FINANCIAL LIABILITIES

	2019	2018
	USD	USD
Accrued expenses	11,400	3,358
Other payables to group companies	3,183,004	404,517
	<u>3,194,404</u>	<u>407,875</u>

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. INCOME

	2019	2018
	USD	USD
Interest income	1,194,220	764,820
Exchange gain	26,426	-
	1,220,646	764,820

12. EXPENSES

	2019	2018
	USD	USD
Administration fees	2,200	8,442
Audit fees	2,300	2,300
Finance cost	415,340	239,811
Bank charges	1,637	2,549
Management fees	106,253	-
Advance written off	2,100,000	-
Licence and registration fees	2,600	2,100
Professional fees	15,330	400
	2,645,659	255,602

13. TAX

The Company has been established as a Category 1 Global Business Licence company under the Financial Services Act 2007 and is taxable at the rate of 15% for the year ended 31 March 2019. However, the Company is entitled to a tax credit equivalent to the higher of the actual tax suffered on its foreign source of income or 80% of the Mauritian tax. No provision for tax has been made in the financial statements due to the availability of tax losses.

14. LOSS / PROFIT PER SHARE

The profit per share is based on loss for the year USD 1,425,013 (2018: profit of USD 509,219) and on 106,000 ordinary share in issue.

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

15. RELATED PARTY TRANSACTIONS

During the year under review, the Company entered into the following related party transactions.

Entity	Relationship	Nature of transactions	2019 USD	2018 USD
Transaction during the year				
Prime Focus Ltd	Parent	Expense recharges received	-	239,811
Prime Focus World N.V.	Sub - subsidiary	Interest income on loan given	-	361,402
De-Fi Media Ltd	Same parent	Interest income on loan given	1,194,220	1,197,500
Prime Focus World N.V.	Sub - subsidiary	Interest expense	104,166	-
Reliance Lowry Digital Imaging Services, Inc	Same parent	Reversal of interest income on loan given	-	(794,184)
Prime Focus 3D Cooperatief U.A.	Sub - subsidiary	Short-term loan received	14,999,900	-
Prime Focus 3D Cooperatief U.A.	Sub - subsidiary	Interest expense on short-term loan received	311,174	-
Prime Focus Ltd	Parent	Redemption of optionally convertible preference shares	14,999,600	18,266,504
De-Fi Media Ltd	Same parent	Long-term loan receivable converted to optionally convertible preference shares	46,977,703	-
De-Fi Media Ltd	Same parent	Balance in long-term loan receivable transferred to current account	972,297	-
De-Fi Media Ltd	Same parent	Amount received from De-fi Media Ltd.	499,970	-
De-Fi Media Ltd	Same parent	Paid on our behalf	15,042	-
De-Fi Media Ltd	Same parent	Amount paid to Prime Focus World Nv. by De-fi Media assigned and adjusted against receivable	1,106,989	-
Prime Focus World N.V.	Sub - subsidiary	Amount paid by De-fi Media to Prime Focus World N.V assigned	1,106,989	-
Prime Focus International Services Uk Ltd	Sub - subsidiary	Management cost recharge received	106,253	-
Prime Focus International Services Uk Ltd	Sub - subsidiary	Expense recharges received	12,734	-
Prime Focus World N.V.	Sub - subsidiary	Share application money refunded	-	14,499,902
Prime Focus World N.V.	Sub - subsidiary	Amount received from Prime Focus World N.V.	1,000,200	-
Prime Focus World N.V.	Sub - subsidiary	Paid by Prime Focus World N.V on our behalf	2,100,000	-
Prime Focus World N.V.	Sub - subsidiary	Loan repaid by Prime Focus World N.V. (including interest)	-	4,853,788
Prime Focus North America	Sub - subsidiary	Receivable from Prime Focus Luxembourg S.à r.l. assigned	40,168	-
Prime Focus World Nv.	Sub - subsidiary	Receivable from Prime Focus Luxembourg S.à r.l. assigned	28,405	-
Prime Focus International Services Ltd, Uk	Sub - subsidiary	Receivable from Prime Focus Luxembourg S.à r.l. assigned	45,691	-
Prime Focus North America	Sub - subsidiary	Receivable from Prime Focus 3D Cooperatief U.A. Netherlands assigned	43,862	-

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

Prime Focus World Nv.	Sub - subsidiary	Receivable from Prime Focus 3D Cooperatief U.A. Netherlands assigned	35,760	-
Prime Focus International Services Ltd, Uk	Sub - subsidiary	Receivable from Prime Focus 3D Cooperatief U.A. Netherlands assigned	140,071	-
Reliance Lowry Digital Imaging Services, Inc	Same parent	Receivable from Reliance Lowry Digital Imaging Services, Inc assigned to Reliance Media Work (Mauritius) limited	-	12,665,000
Reliance Media Work (Mauritius) limited	Same parent	Receivable from Reliance Lowry Digital Imaging Services, Inc assigned to Reliance Media Work (Mauritius) limited	-	12,665,000
Reliance Media Work (Mauritius) limited	Same parent	Receivable from De-Fi Media Ltd by Reliance Media Work (Mauritius) limited, assigned to PF World Limited	-	24,000,000
De-Fi Media Ltd	Same parent	Payable to Reliance Media Work (Mauritius) limited by De-Fi Media Ltd, assigned to PF World Limited	-	24,000,000
Balance outstanding				
Prime Focus Ltd	Parent	Optionally convertible preference shares	76,666,396	91,665,996
Prime Focus World N.V.	Sub - subsidiary	Share application	18,810,788	18,810,788
Prime Focus World N.V.	Sub - subsidiary	Loan given	-	-
De-Fi Media Ltd	Same parent	Loan given	-	47,950,000
Reliance Lowry Digital Imaging Services, Inc	Same parent	Loan given	-	-
Prime Focus 3D Cooperatief U.A.	Sub - subsidiary	Short-term loan received	14,837,384	-
Prime Focus World N.V.	Sub - subsidiary	Receivable from group companies	-	-
De-Fi Media Ltd	Same parent	Receivable from group companies	1,903,995	1,359,479
Prime Focus Luxembourg Sarl	Subsidiary	Receivable from group companies	245,158	130,895
Prime Focus 3D Cooperatief U.A.	Sub - subsidiary	Receivable from group companies	135,148	135,148
PF Investments Ltd	Same parent	Receivable from group companies	42,832	42,832
PF Overseas Ltd	Same parent	Receivable from group companies	44,896	44,896
Reliance Lowry Digital Imaging Services, Inc	Same parent	Receivable from group companies	1,201,000	1,201,000
Reliance Media Work (Mauritius) limited	Same parent	Receivable from group companies	235,050	235,050
Prime Focus North America	Sub - subsidiary	Other payables to group companies	596	596
Prime Focus Technologies UK Ltd	Sub - subsidiary	Other payables to group companies	3,698	4,080
Prime Focus World N.V.	Sub - subsidiary	Other payables to group companies	2,954,398	384,842
Prime Focus International Services Uk Ltd	Sub - subsidiary	Other payables to group companies	132,831	15,000
Prime Focus 3D Cooperatief U.A.	Sub - subsidiary	Other payables to group companies	91,480	-
Reliance Media Work (Mauritius) limited	Same parent	Other non-current payable to group companies	11,335,000	11,335,000

PF WORLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. FINANCIAL INSTRUMENTS

Capital risk management

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

The management sets the amounts of capital required in proportion to risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets.

During the year, the Company's strategy was to monitor and manage the use of funds whilst developing business strategies and marketing.

Financial risk management

The Company's activities expose it to a variety of financial risks that are associated with the financial instruments in which it invests and markets in which it operates. The following is a summary of the main risks:

Market risk

Foreign Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company's foreign currency exposure as at year end is as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2019		As at March 31, 2018	
		Foreign Currency	In \$	Foreign Currency	In \$
Asset	CAD	6,297,509	4,715,952	-	-
	GBP	816,749	1,063,684	-	-
Asset Total			5,779,637		-
Liability	EUR	13,337,719	14,961,052	-	-
	GBP	2,840	3,698	-	-
Liability Total			14,964,751		-

5% appreciation/ depreciation of respective foreign currencies with respect to functional currency would result in decrease/ increase in the Company's profit before tax by approximately \$ 459,256 for the year ended March 31, 2019 [March 31, 2018: \$ Nil]. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

As per our report of even date
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V. Shivkumar
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Mumbai
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