TIL LEATHER (MAURITIUS) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2015

TIL LEATHER (MAURITIUS) LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS

TIL LEATHER (MAURITIUS) LTD
CORPORATE DATA

		Date appointed
DIRECTORS	Ajay Ponkshe	10 November 2010
	Kevin Allagapen	31 December 2011
	Nirushka Busguth	31 January 2013

SECRETARY

DTOS Ltd
10th Floor
Raffles Tower
19 Cybercity
Ebene
Republic of Mauritius

REGISTERED OFFICE

DTOS Ltd
10th Floor
Raffles Tower
19 Cybercity
Ebene
Republic of Mauritius

AUDITOR

Deloitte
7th Floor
Raffles Tower
19 Cybercity
Ebene
Republic of Mauritius

BANKER

HSBC (Mauritius) Limited
6th Floor, HSBC Centre
18 Cybercity
Ebene
Republic of Mauritius

TIL LEATHER (MAURITIUS) LTD
DIRECTORS' REPORT

The directors are pleased to present their report together with the audited financial statements of TIL Leather (Mauritius) Ltd ("the Company") for the year ended 31 March 2015.

Incorporation

The Company was incorporated in the Republic of Mauritius on 10 November 2010.

Principal activity

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

Results and dividend

The results for the year are shown on page 7. The directors do not recommend the payment of a dividend. (2014: Nil)

Statement of directors' responsibilities in respect of financial statements

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Auditor

The auditor, Deloitte, has expressed its willingness to continue in office and a resolution for its re-appointment will be proposed at the next Annual Meeting.

By order of the Board

DTOS LTD
CORPORATE SECRETARY

Date: 08 MAY 2015

TIL LEATHER (MAURITIUS) LTD
SECRETARY'S REPORT TO THE SHAREHOLDER OF TIL LEATHER (MAURITIUS) LTD
UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns, as are required of the Company under Section 166(d) of the Mauritius Companies Act 2001, for the year ended 31 March 2015.

***for* DTOS LTD**
CORPORATE SECRETARY

Date: 0 8 MAY 2015

Deloitte.

7th floor, Raffles Tower
19 Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the shareholder of TIL Leather (Mauritius) Ltd

This report is made solely to the company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to the shareholder in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **TIL Leather (Mauritius) Ltd** on pages 6 to 27 which comprise the statement of financial position as at 31 March 2015 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standards (IFRS) 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities

IFRS 10 *Consolidated Financial Statements* requires the company to present group financial statements in which it consolidates its investments in subsidiaries in order to present information about the group as that of a single economic entity. As explained in note 19, group financial statements have not been prepared in accordance with the requirements of IFRS 10.

The company has also not complied with the disclosure requirements of IFRS12 *Disclosure of Interests in Other Entities* relating to interests in subsidiaries.

Opinion

In our opinion, because of the effects of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements on pages 6 to 27 do not give a true and fair view of the financial position of **TIL Leather (Mauritius) Ltd** as at 31 March 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte.

7th floor, Raffles Tower
19 Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the shareholder of TIL Leather (Mauritius) Ltd

Emphasis of matter - going concern

We draw attention to note 18 in the financial statements which indicates that, at 31 March 2015, the company had a shareholder's deficit of Euro 1,784,456 and net current liabilities of Euro 9,587,361. These conditions, along with the matters as set out in note 18 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, the validity of which depends upon continued availability of funds being made available by the shareholder. The financial statements do not include any adjustments that would result from non availability of finance.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditor;
- In our opinion, except as indicated in the basis for adverse opinion above, proper accounting records have been kept by the company as far as appears from our examination of those records;
- we have not obtained all the information and explanations that we have required in so far as explained in the paragraph on non-compliance with IFRS 10 and IFRS 12; and
- except for the non-compliance with IFRS 10 and IFRS 12, the financial statements comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Deloitte

Deloitte

Chartered Accountants

8 May 2015

Pradeep Malik, FCA

Licensed by FRC

TIL LEATHER (MAURITIUS) LTD
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2015

	Notes	At 31 March 2015 EUR	At 31 March 2014 EUR (As re-presented)	At 1 April 2013 EUR (As re-presented)
ASSETS				
Non-current assets				
Investments in subsidiaries	5	7,802,905	7,302,905	4,966,218
Current assets				
Short-term loan	6	1,511,921	1,408,463	3,745,150
Other receivables	7	327,690	233,540	124,480
Cash at bank		25,208	3,657	9,196
		1,864,819	1,645,660	3,878,826
Total assets		9,667,724	8,948,565	8,845,044
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	8	709	709	709
Accumulated losses		(1,785,165)	(789,647)	(600,845)
Shareholder's deficit		(1,784,456)	(788,938)	(600,136)
Current liabilities				
Short-term borrowings	9	10,701,831	9,220,291	9,050,647
Other payables	10	750,349	517,212	394,533
		11,452,180	9,737,503	9,445,180
Total equity and liabilities		9,667,724	8,948,565	8,845,044

Approved by the Board of Directors and authorised for issue on 08 MAY 2015

............................)
)
) **DIRECTORS**
............................)

The notes on pages 10 to 27 form an integral part of these financial statements.

TIL LEATHER (MAURITIUS) LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 EUR	2014 EUR (As re-presented)
INCOME			
Interest Income	12	59,666	111,874
Net Exchange gain	14	-	1,146
		59,666	113,020
EXPENSES			
Professional fees		11,841	8,978
Finance expense	13	343,197	282,950
Licence fees		1,658	1,608
Audit fees		6,654	6,867
Communication charges		246	216
Net Exchange loss	14	689,823	-
Bank charges		717	295
Other professional fees		899	609
MRA fees		149	299
		1,055,184	301,822
LOSS BEFORE TAXATION		(995,518)	(188,802)
Taxation	11	-	-
LOSS FOR THE YEAR		(995,518)	(188,802)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(995,518)	(188,802)

The notes on pages 10 to 27 form an integral part of these financial statements.

TIL LEATHER (MAURITIUS) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Note	Stated capital EUR (As re-presented)	Accumulated losses EUR (As re-presented)	Total EUR (As re-presented)
Balance at 1 April 2013 (as re-presented)	20	709	(600,845)	(600,136)
Loss for the year and total comprehensive loss		-	(188,802)	(188,802)
Balance at 31 March 2014		709	(789,647)	(788,938)
Loss for the year and total comprehensive loss		-	(995,518)	(995,518)
Balance at 31 March 2015		709	(1,785,165)	(1,784,456)

The notes on pages 10 to 27 form an integral part of these financial statements.

TIL LEATHER (MAURITIUS) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	2015 EUR	2014 EUR (As re-presented)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(995,518)	(188,802)
Adjustments for:		
Interest income	(59,666)	(111,874)
Interest on loan	343,197	282,950
Net exchange loss	694,143	156
Operating loss before working capital changes	(17,844)	(17,570)
Increase in other receivables	(353)	(106)
Increase/(decrease) in other payables	2,908	(3,496)
Net cash used in operating activities	(15,289)	(21,172)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan received	2,908,253	921,804
Interest received	23,331	-
Advance received	-	14,928
Repayment of loan	(2,750,743)	(901,440)
Repayment of interest	(144,001)	(19,659)
Net cash generated from financing activities	36,840	15,633
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	21,551	(5,539)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,657	9,196
CASH AND CASH EQUIVALENTS AT END OF YEAR	25,208	3,657

The notes on pages 10 to 27 form an integral part of these financial statements.

1. LEGAL STATUS AND BUSINESS ACTIVITY

(a) TIL Leather (Mauritius) Ltd is a private company with limited liability incorporated on 10 November 2010 in accordance with the Mauritius Companies Act 2001. The Company is registered with the Financial Services Commission as a company holding a Global Business Licence Category 1 (GBL-C1). The Company's registered office and principal place of business are situated at 10th Floor, Raffles Tower, 19 Cybercity, Ebène, Mauritius.

(b) The principal object of the Company is that of an investment holding company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on or after 1 April 2014.

2.1 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have been applied in these financial statements. Their application has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 27	Separate Financial Statements – Amendments for investment entities
IAS 32	Financial instruments: Presentation – Amendments to application guidance on offsetting of financial assets and financial liabilities
IAS 36	Impairment of Assets - Amendments arising from Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	Financial Instruments: Recognition and Measurement – Amendments for novations of derivatives
IFRS 10	Consolidated Financial Statements – Amendments for investment entities
IFRS 12	Disclosure of Interests in Other Entities – Amendments for investment entities

2.2 New and Revised Standards and Interpretations in issue but not yet effective

At the date of the authorization of these financial statements, the following Standards and Interpretation were in issue but effective for annual periods beginning on or after the respective date as indicated:

IAS 1	Presentation of Financial Statements – Amendments resulting from the disclosure initiative (effective 1 January 2016)

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONTINUED)

2.2 New and Revised Standards and Interpretations in issue but not yet effective (continued)

IAS 24	Related Party Disclosures – Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)
IAS 27	Separate Financial Statements – Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016)
IAS 39	Financial Instruments: Recognition and Measurement – Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of portfolio of financial assets or financial liabilities when IFRS 9 is applied and to extend the fair value option to certain contracts that meet the 'own use' scope exception-applies when IFRS 9 is applied (effective 1 January 2018)
IFRS 7	Financial instruments: Disclosures – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures – Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures – Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)
IFRS 9	Financial Instruments – Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective for annual periods beginning on or after 1 January 2018)
IFRS 10	Consolidated Financial Statements – Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (effective 1 January 2016)
IFRS 10	Consolidated Financial Statements – Amendments regarding the application of the consolidation exception (effective 1 January 2016)
IFRS 12	Disclosure of Interests in Other Entities – Amendments regarding the application of the consolidation exception (effective 1 January 2016)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (Scope of the portfolio exception in paragraph 52) (effective 1 July 2014)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (Short-term receivables and payables) (Amendments to basis for conclusion only)

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors are in the process of assessing the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the Company are as set out below:-

(a) Basis of preparation

The financial statements are prepared under the historical cost convention, are denominated in EURO ("EUR") and in accordance with International Financial Reporting Standards except for non-compliance with IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in Other Entities.

(b) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Euro (presentation currency). The functional currency of the Company is Euro since Euro is the currency of the primary economic environment in which the Company operates. Euro is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

In preparing the financial statements of the entity, 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 year, 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.

(ii) Transaction and balances

Exchange differences on monetary items are recognised in statement of profit or loss and other comprehensive income in the year in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

(c) Stated capital

Ordinary shares are classified as equity.

(d) Expenses

All expenses are accounted for in the statement of profit or loss and other comprehensive income on accruals basis.

(e) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Related parties

Parties are considered to be related if one party has control, joint control or exercises significant influence over the other party or is a member of the key management personnel of the other party.

(g) Revenue recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(h) Interest income

Interest income is accrued on a time basis by reference to the principal amount outstanding and at the effective interest rate applicable.

(i) Dividend income

Dividend income is recognised in statement of profit or loss and other comprehensive income when the right to receive payment is established.

(j) Comparative figures

Where necessary, comparative figures have been re-presented to conform to the current year's presentation.

(k) Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including short-term loan and cash at bank) are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognision of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(l) Financial instruments (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occur after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of profit or loss and other comprehensive income.

De-recognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interst in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue cost.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(l) Financial instruments (continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter year.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(m) Taxation

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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 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 asset realised, based on 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 expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and company intend to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Taxation (continued)

(iii) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in statement of profit or loss and other comprehensive income.

(n) Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

(o) Impairment of assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such condition exists, the assets' recoverable amount is estimated. Any excess of the carrying amount over the recoverable amount is recognised in the statement of profit and loss and other comprehensive income in the period in which the impairment is identified.

(p) Investments in subsidiaries

Subsidiaries are entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of the control listed above.

An investment in subsidiary is shown at cost less impairment. When the carrying amount of the investment in subsidiary is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Company loses control of a subsidiary, a gain or loss is recognised in the profit or loss and is calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest and (b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgment that has a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of functional currency

The determination of functional currency of Company is critical since recording of transaction and exchange differences arising thereon are dependent on the functional currency selected. As described in note 3, the directors have considered those factors therein and have determined that the functional currency of the Company is EUR.

Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the investments. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discout rate in order to calculate present value.

Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

In determining when an investment is other-than-temporarily impaired, significant judgement is required. In making this judgement, the Company 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 financial cash flow.

The carrying amount of investment in subsidiaries in the Company's financial statements at the reporting date was EUR 7,802,905 (2014: EUR 7,302,905) which is at cost less any impairment, if any.

5. INVESTMENTS IN SUBSIDIARIES

Unquoted

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
At 1 April	7,302,905	4,966,218	4,966,218
Conversion of loan into investments	-	2,336,687	-
Addition during the year	500,000	-	-
At 31 March	7,802,905	7,302,905	4,966,218

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of investment in subsidiaries are as follows:

Name of company	Place of incorporation	Percentage Holdings 2015/2014/2013	Class of shares	Principal Activity	Carrying amount 2015 EUR	2014 EUR	2013 EUR
MoveOn – Componentes e Calçado, S.A	Portugal	51.1%	Ordinary shares	Manufacturing	7,526,921	7,026,921	4,690,234
Monroa Portugal, Comércio e Serviços, Unipessoal,LDA	Portugal	100%	Ordinary shares	Trading	5,000	5,000	5,000
TATA International Trading Brasil Limitada, Brazil	Brazil	99%	Ordinary shares	Trading	270,984	270,984	270,984
					7,802,905	7,302,905	4,966,218

As at 31 March 2015, the directors reviewed the carrying amount of investments and assessed whether any impairment is necessary. In their opinion, there has been no objective evidence of impairment.

Details of sub-subsidiaries are as follows:

Name of company	Type of shares	Percentage Holding 2015/2014/2013	Principal Activity	Place of Incorporation
Calsea Footwear Private Limited	5,449,962 shares of INR10 each	99.82%	Shoe manufacturer	India

Name of company	Type of shares	Percentage Holding 2015/2014/2013	Principal Activity	Place of Incorporation
Move on Retail Spain SL	Ordinary shares	100%	Footwear retail	Spain

6. SHORT-TERM LOAN

MoveOn Componentes e Calçado, S.A.	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Amount due from subsidiary	250,000	250,000	250,000
Loan to subsidiary	1,261,921	1,158,463	3,495,150
	1,511,921	1,408,463	3,745,150

(a) The amount due from subsidiary is unsecured, interest free and with no fixed term of repayment.

(b) The loan to subsidiary is unsecured, repayable on demand and bears interest at a fixed rate of 5.5% per annum.

7. OTHER RECEIVABLES

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Prepayments	1,538	1,185	1,101
Interest receivable	326,152	232,355	123,379
	327,690	233,540	124,480

8. STATED CAPITAL

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Issued and fully paid			
1,000 ordinary shares of US$1 each	709	709	709

The Company has one class of ordinary share which carry a right to vote but no right to fixed income. Re-translation for stated capital from USD 1,000 to EUR 709 happened as of 31 March 2011 at a rate of 0.70927 (USD/EUR exchange rate).

9. SHORT-TERM BORROWINGS

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Loans from Tata South East Asia Ltd	5,378,727	5,314,638	5,314,638
Amount due to Tata South East Asia Ltd	275,709	255,787	240,859
Loan from Apex Investments (Mauritius) Holding Private Limited	-	2,728,062	3,495,150
Loans from Tata International Singapore Pte Ltd	5,047,395	921,804	-
	10,701,831	9,220,291	9,050,647

(a) The loans from Tata South East Asia Ltd are unsecured, repayable on demand and bear interest as follows:

(i) EUR 3,300,000 bears interest at LIBOR(3M)+2%.
(ii) EUR 970,000 bears interest at a fixed rate of 4.5% per annum.
(iii) EUR 260,000 bears interest at a fixed rate of 3.33% per annum.
(iv) EUR 250,000 bears interest at a fixed rate of 3.71 % per annum.
(v) EUR 255,000 bears interest at a fixed rate of 3.64% per annum.
(vi) US$ 373,000 bears interest at a fixed rate of 2.8 % per annum.

(b) The amount due to Tata South East Asia Ltd is unsecured, interest free and with no fixed term of repayment.

(c) The loan from Apex Investments (Mauritius) Holding Private Limited was unsecured, bore interest at a fixed rate of 4% per annum and was repaid during the year.

9. SHORT-TERM BORROWINGS (CONTINUED)

(d) The loans from Tata International Singapore Pte Ltd are unsecured, repayable on demand and bear interest as follows:

(i) USD 1,810,000 bears interest at a fixed rate of 5% per annum.
(ii) USD 3,100,000 bears interest at a fixed rate of 7.25% per annum.
(iii) USD 567,250 (equivalent of EUR500,000) bears interest at a fixed rate of 7.50% per annum

10. OTHER PAYABLES

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Accruals	12,235	9,327	13,060
Interest payable on loan to:			
Tata South East Asia Ltd	552,161	410,418	269,810
Apex Investments (Mauritius) Holding Private Limited	-	80,506	111,663
Tata International Singapore Pte Ltd	185,953	16,961	-
	750,349	517,212	394,533

11. TAXATION

(a) Tax liability

The Company, being the holder of a Category 1 Global Business Licence, is subject to income tax in Mauritius at the rate of 15%. However, the Company is entitled to a foreign tax credit equivalent to the higher of 80% of the Mauritian tax chargeable on its foreign source income and the actual foreign tax suffered. For the year under review, the Company has no tax liability.

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)
Loss before taxation for the year	(995,518)	(188,802)
Tax at the rate of 15%	(149,328)	(28,320)
Tax effect of:		
- Non-allowable expenses	128,517	438
- Non-taxable income	(24,138)	(414)
- Deferred tax not recognised	44,949	28,296
Tax expense	-	-

(b) Deferred tax

As at 31 March 2015, the Company had accumulated tax losses of EUR 1,073,768 (2014: EUR 774,110). No deferred tax asset was recognised in respect of tax losses carried forward as it is not probable that the Company will have sufficient taxable profits against which the unused tax losses could be utilised in the foreseeable future.

11. TAXATION (CONTINUED)

(b) Deferred tax (continued)

The tax losses available for set off against future taxable profit of the Company are as follows:

	EUR (As re-presented)
Up to year ending:	
31 March 2016	163,275
31 March 2017	262,312
31 March 2018	159,877
31 March 2019	188,646
31 March 2020	299,658
	1,073,768

12. FINANCE INCOME

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)
Interest income	59,666	111,874

13. FINANCE EXPENSE

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)
Interest expense to TATA South-East Asia Ltd	139,805	140,684
Interest expense to Apex Investments (Mauritius) Holding Private Limited	62,014	124,854
Interest expense to Tata International Singapore Pte Ltd	141,378	17,412
	343,197	282,950

14. NET EXCHANGE (LOSS)/GAIN

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)
Foreign exchange gain	167,374	4,085
Foreign exchange loss	(857,197)	(2,939)
	(689,823)	1,146

15. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2015, the Company traded with related parties. The nature, volume of transactions and balances with these entities are as follows:-

Name of entity	Relationship	Nature of transactions	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
(i) TATA South- East Asia Ltd	Affiliate	Balance of loan due at 1 April	5,314,638	5,314,638	5,314,638
		Exchange difference	64,089	-	-
		Balance of loan due at 31 March	5,378,727	5,314,638	5,314,638
(ii) TATA South-East Asia Ltd	Affiliate	Balance of amount due at 1 April	666,205	510,669	343,484
		Advance received	-	14,928	15,534
		Interest expense	139,805	140,684	151,372
		Exchange difference	21,860	(76)	279
		Balance of amount due at 31 March	827,870	666,205	510,669
(iii) MoveOn-Componentes E Calçado, S.A	Subsidiary	Balance of loan due at 1 April	(1,640,818)	(3,868,529)	(250,000)
		Loan advanced	-	-	(3,495,150)
		Conversion of loan in investments	-	2,336,687	-
		Interest received	23,331	-	
		Interest income	(59,666)	(111,874)	(122,857)
		Exchange difference	(160,920)	2,898	(522)
		Balance of loan due at 31 March	(1,838,073)	(1,640,818)	(3,868,529)
(iv) Tata International Singapore Pte Ltd	Related Company	Balance of loan due at 1 April	938,765	-	-
		Loan advanced	3,408,253	921,804	-
		Interest expense	141,378	17,412	-
		Exchange difference	744,952	(451)	-
		Balance of loan due at 31 March	5,233,348	938,765	-

Compensation to key management personnel

No compensation was paid to key management personnel during the year ended 31 March 2015 (2014 and 2013: Nil).

16. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the entity will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of net debt (short-term borrowings, as disclosed in note 9, offset by cash at bank) and equity of the Company (comprising of stated capital, as disclosed in note 8 and accumulated losses).

16. FINANCIAL INSTRUMENTS (CONTINUED)

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Financial assets			
Loans and receivables (include cash at bank)	1,863,281	1,644,475	3,877,725
Financial liabilities			
At amortised cost	11,452,180	9,737,503	9,445,180

Financial risk management objectives

The directors monitor and manage the financial risks relating to the operations of the Company through internal reports which analyse exposures by degree and magnitude of risks. These risks include market risks, credit risks and liquidity risks. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk management

Market risk represents the potential loss that can be caused by a change in the market value of the financial instruments. The Company's exposure to market risk is determined by a number of factors including interest rate, foreign currency exchange rates and market volatility. The Company conducts its operations in a manner that seeks to exploit the potential gains in the market, while limiting their exposure to a market decline.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Company's exposure to credit risk is limited to the receivables from subsidiary. The directors consider that the risk of default on this loan is remote.

Liquidity risk management

The Company's policy on liquidity risk management is to maintain sufficient cash and the availability of funding through credit lines from related parties, by continuously monitoring forecast and actual cash flows and matching the maturity profile for its financial liabilities. The Company will continue receiving support from its holding company for all financial requirements as and when they fall due. The liabilities are substantially due to related companies, these will be repaid only when the company has sufficient resources.

16. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (continued)

	Weighted average effective interest rate	On demand EUR	Within one year EUR	Total EUR
At 31 March 2015				
Non-interest bearing	-	275,709	750,349	1,026,058
Variable interest rate instruments LIBOR (3M)+2%	2.172%	3,300,000	-	3,300,000
Fixed interest rate instruments	3.279%	7,126,122	-	7,126,122
		10,701,831	750,349	11,452,180
At 31 March 2014				
(As re-presented)				
Non-interest bearing	-	255,787	517,212	772,999
Variable interest rate instruments LIBOR (3M)+2%	2.208%	3,300,000	-	3,300,000
Fixed interest rate instruments	2.944%	5,664,504	-	5,664,504
		9,220,291	517,212	9,737,503

Interest rate risk management

The Company is exposed to interest rate risk as it borrows funds at floating interest rate. The interest rate profile of the Company at 31 March and 1 April is:

Financial liabilities

	Loan from related company Floating interest rate		
	31 March 2015 %	31 March 2014 % (As re-presented)	1 April 2013 % (As re-presented)
United States Dollars	2.06 – 2.27	2.12 – 2.27	2.07 – 2.98

16. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk management (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting year. A 1% increase or decrease is used and represents management's assessment of the reasonably possible change in interest rate.

If interest rate had been 1% higher/lower and all other variables were held constant:

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Profit or loss	33,000	33,000	33,000

Currency risk

The Company is exposed to the risk of the fluctuation in exchange rates of the United States Dollars (US$) in relation to EUR. Consequently, the Company is exposed to the risk that the exchange rate of the US$ relative to EUR, may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in US$.

Currency profile

The currency profile of the Company's financial assets and liabilities are summarised as follows:

	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Financial assets			
US$	1,611,596	1,392,790	3,626,040
EUR	251,685	251,685	251,685
	1,863,281	1,644,475	3,877,725

	2015 EUR	2014 EUR (As re-presented)	2013 EUR (As re-presented)
Financial liabilities			
US$	5,754,310	4,170,451	3,933,622
EUR	5,697,870	5,567,052	5,511,558
	11,452,180	9,737,503	9,445,180

Prepayments amounting to EUR 1,538 (2014: EUR 1,185) for the Company have not been included in the financial assets.

16. FINANCIAL INSTRUMENTS (CONTINUED)

Sensitivity analysis

At 31 March 2015, had the EUR strengthened by 5% in relation to US$, with all other variables held constant, loss for the year would have increased by the amount shown below.

All amounts stated in EUR

		US$ Impact	
	31 March 2015 EUR	31 March 2014 EUR (As re-presented)	1 April 2013 EUR (As re-presented)
Currency			
Loss	207,136	138,883	15,379

A 5% weakening of the EUR against US$ would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant.

Fair value of financial instruments

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values due to the short term nature of the balances involved.

17. HOLDING COMPANY

The directors regard TATA International Limited, a company incorporated in India, as the holding company.

18. GOING CONCERN

At 31 March 2015, the Company had a shareholder's deficit of EUR 1,784,456 (2014: re-presented EUR 788,938) and net current liabilities of EUR 9,587,361 (2014: re-presented EUR 8,091,843). The Company finances its day to day working capital requirements through advances from a related party which are repayable on demand. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumed that the Company would continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the holding company.

The holding company confirmed that it would continue to provide financial support to the Company to enable it to meet its obligations as they fall due. The directors consider it appropriate to prepare the financial statements on this basis.

19. NON-COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

International Financial Reporting Standards (IFRS) 10 - Consolidated Financial Statements, require a parent company with subsidiaries to present consolidated financial statements unless it is exempted from this requirement.

Although the Company does not meet exemptions available under IFRS 10, consolidated financial statements have not been prepared as the directors believe that the benefits of preparing consolidated financial statements to be minimal.

IFRS 12 Disclosure of Interests in Other Entities requires the parent company to make additional disclosures on its subsidiary. However the Company has not applied IFRS 12 as the directors believe that the benefits of making these additional disclosures to be minimal.

20. CHANGE IN PRESENTATION CURRENCY

The financial statements were previously presented in United States Dollars ("US$") (presentation currency) and the functional currency of the Company is Euro ("EUR") since EUR is the currency of the primary economic environment in which the Company operates. EUR is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company. In this respect, the directors resolved to present the financial statements in EUR. The prior years' comparatives have been re-presented in Eur as if the financial statements of those years have always been presented in Eur instead of US$.

The effects of the re-presentation on the prior years' financial statements comparatives are as follows:

Statement of financial position at 01 April 2013

	As previously reported USD	Equivalent in EUR	Effect of the change EUR	As re-presented EUR
Investments	6,366,946	4,966,218	-	4,966,218
Amount due from subsidiary	4,801,474	3,745,150	-	3,745,150
Other receivables	159,590	124,480	-	124,480
Cash and cash equivalents	11,790	9,196	-	9,196
Share Capital	1,000	709	-	709
Loss	(811,605)	(632,980)	32,135	(600,845)
Translation reserve	41,199	32,135	- 32,135	-
Other payables	505,812	394,533	-	394,533
Short term borrowing	11,603,394	9,050,647	-	9,050,647