

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIBANI FINANCE CO LTD**

## **Report on the audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Shibani Finance Co Ltd (the "Company") which comprise the statement of financial position as at 30 September 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 September 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIBANI FINANCE CO LTD (CONT'D)**

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the Companies Act 2001, the Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHIBANI FINANCE CO LTD  
(Continued)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

*Companies Act 2001*

We have no relationship with, or interests in, the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

*Banking Act 2004*

The Banking Act 2004 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) in our opinion, the financial statements have been prepared on a basis consistent with that of the preceding year and are complete, fair and properly drawn up and comply with the Banking Act 2004 and regulations and guidelines issued by the Bank of Mauritius; and

(b) the explanations or information called for or given to us by the officers or agents of the Company were satisfactory.

**Other Matter**

This report is made solely to the members of Shibani Finance Company Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**BDO & Co**  
*Chartered Accountants*

Port Louis,  
Mauritius

**Ameenah Ramdin, FCCA, ACA**  
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**SHIBANI FINANCE CO LTD****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	<u>2019</u>	<u>2018</u>
	Rs.	Rs.
Net gain arising from dealings in foreign currencies	<b>66,192,044</b>	69,343,403
Other income	<b>8,529,138</b>	8,272,623
Administrative expenses	<b>(64,742,377)</b>	(61,319,016)
<b>Operating profit</b>	<b>9,978,805</b>	16,297,010
Finance costs	<b>(254,791)</b>	(160,196)
<b>Profit before taxation</b>	<b>9,724,014</b>	16,136,814
Taxation	<b>(1,672,983)</b>	(2,916,121)
<b>Profit for the year</b>	<b>8,051,031</b>	13,220,693
Other comprehensive income	<b>(464,284)</b>	392,637
<b>Total comprehensive income for the year</b>	<b>7,586,747</b>	13,613,330
<b>Earnings per share Rs/Cs</b>	<b>14.12</b>	24.23

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019**

	<u>2019</u>	<u>2018</u>
	Rs.	Rs.
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>26,387,107</b>	22,792,346
<b>Current assets</b>	<b>129,476,225</b>	139,245,170
<b>Total assets</b>	<b>155,863,332</b>	162,037,516
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	<b>57,000,000</b>	57,000,000
Retained earnings	<b>80,387,867</b>	82,336,836
Other Reserves	<b>(916,199)</b>	(451,915)
<b>Owners' interest</b>	<b>136,471,668</b>	138,884,921
<b>Non-current liabilities</b>	<b>8,395,801</b>	7,643,527
<b>Current liabilities</b>	<b>10,995,863</b>	15,509,068
<b>Total equity and liabilities</b>	<b>155,863,332</b>	162,037,516

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	<u>Stated capital</u>	<u>Retained earnings</u>	<u>Actuarial gains/(losses)</u>	<u>Total</u>
	Rs.	Rs.	Rs.	Rs.
At 1 October 2018	57,000,000	82,336,836	(451,915)	138,884,921
Profit for the year	-	8,051,031	-	8,051,031
Other comprehensive income for the year	-	-	(464,284)	(464,284)
Dividends	-	(10,000,000)	-	(10,000,000)
<b>At 30 September 2019</b>	<b><u>57,000,000</u></b>	<b><u>80,387,867</u></b>	<b><u>(916,199)</u></b>	<b><u>136,471,668</u></b>
At 01 October 2017	57,000,000	96,116,143	(844,552)	150,271,591
Profit for the year	-	13,220,693	-	13,220,693
Other comprehensive income for the year - r	-	-	392,637	392,637
Bonus issue	2,000,000	(2,000,000)	-	-
Dividends	-	(25,000,000)	-	(25,000,000)
<b>At 30 September 2018</b>	<b><u>59,000,000</u></b>	<b><u>82,336,836</u></b>	<b><u>(451,915)</u></b>	<b><u>138,884,921</u></b>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	<u>2019</u>	<u>2018</u>
	Rs.	Rs.
Net cash generated from operating activities	9,575,013	24,729,818
Net cash used in investing activities	(3,459,954)	(1,064,612)
Net cash used in financing activities	(10,453,319)	(29,285,348)
Net change in cash and cash equivalents	<u>(4,338,260)</u>	<u>(5,620,142)</u>
Cash and cash equivalents -At 01 October	103,491,090	109,111,232
Cash and cash equivalents- At 30 September	Rs <u>99,152,830</u>	<u>103,491,090</u>

These financial statements have been approved by the Board of Directors on 17 December 2019

**Vinoba Gunnoo**  
Director

**Vasdev Hassamal**  
Director

**Ajay Hassamal**  
Chief Executive Officer