

Company Registration No. 4585206 (England and Wales)

**ELARA CAPITAL PLC**  
**DIRECTORS' REPORT AND CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



# ELARA CAPITAL PLC

## GROUP INFORMATION

<b>Directors</b>	R Bhatt A Pandey M Desai
<b>Secretary</b>	A Verma
<b>Company number</b>	4585206
<b>Registered office</b>	248a Marylebone Road London NW1 6JZ
<b>Auditor</b>	Hillier Hopkins LLP Radius House 51 Clarendon Road Watford Herts WD17 1HP
<b>Business address</b>	248a Marylebone Road London NW1 6JZ
<b>Bankers</b>	Lloyds TSB Plc High Street Coventry CV1 5RA  ICICI Bank UK Plc 21 Knightsbridge London SW1X 7LY
<b>Solicitors</b>	Candey Parker Legal Services Ltd Thomas Ford House 23-24 Smithfield Street London EC1A 9LF

# **ELARA CAPITAL PLC**

## **CONTENTS**

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 6
Independent auditor's report to the members of Elara Capital Plc	7 - 9
Consolidated profit and loss account and other comprehensive income	10
Consolidated balance sheet	11
Company balance sheet	12
Consolidated and Company's Statement of changes in equity	13
Consolidated cash flow statement	14
Notes to the consolidated cash flow statement	15
Notes to the financial statements	16 - 35

# **ELARA CAPITAL PLC**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

The Directors present their strategic report of Elara Group (the 'Group') for the year ended 31 March 2020.

In accordance with Section 414A(1) of the Companies Acts 2006, we have prepared the Strategic Report which includes a review of the Group business and future developments, a description of the principal risk and uncertainties facing the Group and key performance indicators.

#### **Section 172(1) Statement**

The Company and the Group provides advise on investment instruments and arranges deals in investments, including the raising of equity capital through issuance of Global Depository Receipts, mergers and acquisitions, broking, and other merchant banking activities, which depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The Company and the Group seeks to put its customers' best interests first, invests in its employees, supports the communities in which it operates and strives to generate sustainable profits for shareholders.

The Directors have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company and the Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at Board level.

Our vision, purpose, sustainability pillars and values are set out in the Strategic report, as are the risks facing our organisation and the mitigating action we take, our environmental, social and governance practices, examples of stakeholder engagement and information about our engagement with employees, shareholders and suppliers .

#### **Review of the business**

The principal activity of the Group is that of advising on investment instruments and arranging deals in investments, including the raising of equity capital through issuance of Global Depository Receipts, mergers and acquisitions, broking, and other merchant banking activities.

The Group has performed below its strategic objectives for the year given the challenging operating environment. The Group has shown a loss before taxation of £18,541,402 for the year ended 31 March 2020 as compared to the profit before tax of £3,380,570 for the year ended 31 March 2019. The directors are optimistic about the future prospects of the Group and expect slow but steady growth in the future.

The shareholders' funds have decreased from £37.44 million at the start of the year to £20.74 million at 31 March 2020.

The Group's position at the balance sheet dates is shown on page 11, and that of the Company is shown on page 12.

The consolidated profit and loss account and other comprehensive income of the Group is shown on page 8, which shows the key performance indicators, which are considered to be turnover, gross profit and operating profit.

#### **Principal risks and uncertainties**

A description of the principal risk and uncertainties faced by the Group are discussed in the relevant section of the Directors' report.

The process of risk management is addressed through a framework of policies, procedures and internal controls. Compliance with regulations, legal and ethical standards is a high priority for the Group and is managed throughout the operational activities of the business and by each respective department.

# ELARA CAPITAL PLC

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2020**

### **Business environment**

The Group's main focus is on Indian Markets. The Group advises clients on investments in Indian securities. Fluctuations in these markets have an impact on the Group's positions as well as on client positions. The Group is optimistic about the future due to the recent developments in India related to tax reforms and improved business environment. The Group is optimistic about the future and we expect a steady growth of the Group.

The Group will continue to employ capital in liquid debt securities and equities, maintain robust capital adequacy and liquidity with focus on the growth of the Group. The Group will concentrate on providing quality services to its customers and focus on building relations with new customers

The Group remains invested in high quality liquid debt securities and equity of listed companies.

### **Key Performance Indicators**

The Board consider that the key performance indicators for the Company are turnover, gross profit, and operating profit. These are set out in these financial statements in particular the profit and loss account.

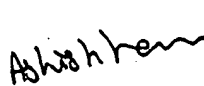
### **Brexit Impact**

Elara Capital PLC is the Parent company of Elara Group and is based in United Kingdom. All of the Elara's Group subsidiaries are based outside the European Union. As Elara's Group business is India centric, we assume that there will be negligible impact of Brexit. Further, Elara's Parent company will not be required to obtain any new regulatory permissions or change the business on Brexit. Most of Elara's funds are based out of Mauritius and Bermuda and their objective is to invest into India with minimum exposures to UK and European equities. Hence, we believe that there will be negligible impact of Brexit on Elara's Group Financial Results. With respect to the employees of the UK Parent office, they are either British citizen or holding valid work visa in United Kingdom.

### **Covid 19 pandemic**

The Company and its subsidiaries and all its stakeholders will face many challenging as a result of the Global Pandemic. In common with most businesses the Company will take its responsibilities toward all its stakeholders seriously. The Board is however confident that it will adopt workings practices, to safely continue operations. Technology will be embraced to find new ways of communications, with stakeholders.

BY ORDER OF THE BOARD  
For and on behalf of  
ELARA CAPITAL PLC  
248a Marylebone Road, London, NW1 6JZ

  
.....  
A Verma  
Company Secretary  
29 September 2020

# ELARA CAPITAL PLC

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2020

The Directors present their annual report and consolidated financial statements of Elara Capital Plc ("the Company" and "the Group") for the year ended 31 March 2020.

#### **Principal activities and review of the business**

The principal activity of the Group continues to be that of advising on investment instruments and arranging deals in investments, including the raising of equity capital through issuance of Global Depository Receipts, mergers and acquisitions, broking, and other merchant banking activities. The Company is authorised and regulated by the Financial Conduct Authority in the United Kingdom and its subsidiaries where appropriate are regulated in the jurisdictions in which they operate.

The results for the year and the financial position at the end of the year were considered satisfactory by the directors given the difficult market conditions. The directors are optimistic about the future prospects of the Group and expect slow but steady growth in the future.

The Group's position at the balance sheet dates is shown on page 11, and that of the Company is shown on page 12.

The consolidated profit and loss account and other comprehensive income of the Group is shown on page 10, which shows the key performance indicators, which are considered to be turnover, gross profit and operating profit.

In the view of the directors the following are the key risks faced by the Group:-

#### **Financial risk**

Financial risk is an umbrella term for multiple types of risk associated with financing, including financial transactions that include group loans in risk of default.

The Group has in place a risk management process to limit the adverse effects on the financial performance of the Group by monitoring the exposure to each respective risk. The policies are set by the Board of Directors and monitored by the Finance Department. Given the size of the Group, the directors do not deem it necessary to delegate the responsibility of monitoring risk management to a sub-committee of the board.

#### **Market Risk**

- The Group's main focus is on Indian Markets. The Group advises clients on investments in Indian securities. Fluctuations in these markets have an impact on the Group's positions as well as on client positions. The directors believe this to be a risk, from both a monetary as well as a reputational perspective.
- The business has a strong dependence upon political stability in India. Any instability could affect the Group's revenues.
- India as an investment destination is administered by local government regulations. Any changes in these regulations could affect the business of the Group.

#### **Operational Risk**

Operational risk is the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from expected losses. The Group believes internal controls and processes are very important to manage the following:-

- Appropriateness of trades transacted on behalf of clients as well as proprietary positions
- Counterparty risk
- Fund transfer authorisation
- Compliance with local law and financial services regulations.

Brexit Impact, reference is made to the discussion in Strategic Report, we believe that there will be negligible impact of Brexit on Elara's Group Financial Results.

#### **Credit risk**

Credit risk is the risk associated with a borrower/debtor going into default. The Group performs appropriate due diligence on potential customers before entering into any transactions. The Group ensures credit given is effectively managed as part of a diversified borrowing pool.

# ELARA CAPITAL PLC

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### Liquidity risk

Liquidity risk is a risk that for a certain period of time a given financial asset, security or commodity cannot be traded quickly enough in the market without impacting the market price.

The Group actively maintains adequate levels of liquid resources to ensure sufficient funds are available to settle liabilities as they fall due.

In accordance with the FCA requirement of BIPRU Chapter 11 'disclosure (pillar 3)', the Group is required to publish further information to allow external parties to assess the capital adequacy of the organization. The Pillar 3 report is available at <http://www.elaracapital.com/pdf/Pillar3Disclosure-ElaraCapitalPLC.pdf>

#### Interest rate risk

There is minimal exposure to interest rate risk in relation to the assets and liabilities held due to no exposure to external borrowings. The Directors constantly monitor and will act accordingly to mitigate this risk should operations change in size or nature.

#### Currency risk

The Group is exposed to currency risk across many of its operations including client and proprietary positions. The Group seeks to minimize exposure to currency risk at all times.

The Group has diversified its operations to different locations which has helped Elara to match currencies between expenses and income. The Group also continuously monitors the movements in currency which it is exposed to and looks out for suitable opportunities to convert currency.

#### Steps taken to mitigate all of these risks

- The directors are consciously working towards diversifying the Group services by adding more geographies, though the directors feel that India itself offers ample growth opportunities.
- The directors are investing resources to build strong systems and processes to monitor trades and fund flows.
- The Group undertakes appropriate due diligence before accepting any new counterparty and monitor these relationships on an ongoing basis.
- With respect to the corporate finance mandate the directors insist wherever possible that fees are paid through an Escrow Mechanism.
- The Group holds professional indemnity insurance with Liberty International Underwriters.

#### Results and dividends

The results for the year are set out on page 10.

The directors recommended an interim dividend of £160,000 in aggregate on ordinary shares for the year ended 31 March 2020, of which £160,000 was paid during the financial year as an interim dividend. The directors recommended and paid a dividend of £200,000 for the year ended 31 March 2019.

#### Directors

The following directors have held office during the year and at the date of this report:

R Bhatt

A Pandey

A D Persaud (Resigned 8 January 2020)

P Church (Resigned on 21 May 2019)

M Desai

#### Creditor payment policy

The Group's current policy concerning the payment of trade creditors is to:

- agree the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in their contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

# ELARA CAPITAL PLC

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

#### Political donations

The Group did not make any political donations.

#### Donation

The Group paid a charitable donation of £700 to Kidney Research, (2019:£ 67,000) during the year to charities working to support deaf and blind people, higher education and alleviate poverty in United Kingdom and India.

#### Remuneration Policy & Practices

In accordance with the FCA requirement the Group is required to publish its remuneration policy. The remuneration policy is available at <http://www.elaracapital.com/pdf/RemunerationDisclosure-2018.pdf>.

#### Auditor

KPMG LLP resigned as auditor on 29<sup>th</sup> April 2020 and Hillier Hopkins LLP were appointed to fill the vacancy. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Hillier Hopkins LLP will therefore continue in office.

#### Statement of directors' responsibilities in respect of the strategic report, the directors' report and the consolidated financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the Directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its consolidated financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



# **ELARA CAPITAL PLC**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Group and Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Group and Company's auditor is aware of that information.

**BY ORDER OF THE BOARD**

For and on behalf of

**ELARA CAPITAL PLC**

248a Marylebone Road, London, NW1 6JZ



**R Bhatt**

**Director**

**29 September 2020**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELARA CAPITAL PLC**

### **Opinion**

We have audited the financial statements of Elara Capital PLC (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELARA CAPITAL PLC (CONTINUED)**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELARA CAPITAL PLC (CONTINUED)**

### **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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### **Use of our report**

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 for our audit work, for this report, or for the opinions we have formed.



Alexander Bottom ACA (Senior statutory auditor)  
for and on behalf of  
**Hillier Hopkins LLP**  
Chartered Accountants  
Statutory Auditor

Radius House  
51 Clarendon Road  
Watford  
Herts  
WD17 1HP  
29 September 2020

# ELARA CAPITAL PLC

## CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	1 April 2019 to 31 Mar 2020 £	1 April 2018 to 31 Mar 2019 £
Turnover	2	10,509,986	15,510,067
Cost of Sales		(3,750,000)	(4,058,197)
<b>Gross profit</b>		<u>6,759,986</u>	<u>11,451,870</u>
Foreign exchange gain		252,319	392,997
Administrative expenses		(7,947,154)	(7,725,746)
Other operating (expense)	4	(18,104,160)	(1,391,093)
<b>Operating (loss)/profit</b>		<u>(19,039,009)</u>	<u>2,728,028</u>
Income from fixed assets investments	7	391,045	513,214
Interest receivable and similar income	8	1,044,681	477,585
Amounts written off investments	9	25,346	-
Interest payable and similar charges	10	(963,465)	(338,257)
<b>(Loss)/profit on ordinary activities before taxation</b>		<u>(18,541,402)</u>	<u>3,380,570</u>
Tax on profit on ordinary activities	11	1,310,628	52,917
<b>(Loss)/profit for the year</b>		<u>(17,230,774)</u>	<u>3,433,487</u>
<b>Other comprehensive income</b>			
Foreign exchange gain on translation of foreign operations		691,761	1,769,769
<b>Total comprehensive (loss)/income for the year</b>		<u><u>(16,539,013)</u></u>	<u><u>5,203,256</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Notes on pages 16 to 35 form part of the audited financial statements.

# ELARA CAPITAL PLC

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	Year ended 31 Mar 2020		Year ended 31 Mar 2019	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		11,475		10,640
Tangible assets	13		239,440		269,543
Investments	14		60		60
			<u>250,975</u>		<u>280,243</u>
<b>Current assets and other financial assets</b>					
Investments	15	11,081,198		31,350,856	
Debtors	16	16,744,619		12,536,324	
Loans and Advances	18	35,440		440,274	
Cash at bank and in hand		6,287,365		7,566,959	
		<u>34,148,622</u>		<u>51,894,413</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(6,502,281)</u>		<u>(7,596,385)</u>	
<b>Net current assets</b>			<u>27,646,341</u>		<u>44,298,028</u>
<b>Total assets less current liabilities</b>			<u>27,897,316</u>		<u>44,578,271</u>
<b>Creditors: amounts falling due after more than one year</b>	26		(7,126,557)		(7,126,557)
<b>Provisions for liabilities</b>	27		(29,160)		(11,102)
<b>Total assets less current liabilities</b>			<u>20,741,599</u>		<u>37,440,612</u>
<b>Capital and reserves</b>					
Called up share capital	21		1,590,331		1,590,331
Share premium account			230,000		230,000
Profit and loss account			18,921,268		35,620,281
<b>Shareholders' funds</b>			<u>20,741,599</u>		<u>37,440,612</u>

Notes on pages 16 to 35 form part of the audited financial statements.

The financial statements on pages 10 to 35 were approved by the Board of Directors on 29 September 2020

  
R Bhatt  
Director

  
A Pandey  
Director

Company Registration No. 4585206

# ELARA CAPITAL PLC


## COMPANY BALANCE SHEET

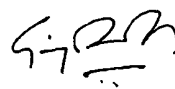
AS AT 31 MARCH 2020

	Notes	Year ended 31 Mar 2020		Year ended 31 Mar 2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	13		28,137		31,876
Investments	14		1,511,193		1,712,046
			<u>1,539,330</u>		<u>1,743,922</u>
<b>Current assets and other financial assets</b>					
Investments	15	1,763,419		13,059,151	
Debtors	16	4,377,117		2,152,855	
Cash at bank and in hand		976,465		497,665	
		<u>7,117,001</u>		<u>15,709,671</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,011,353)</u>		<u>(6,029,001)</u>	
<b>Net current assets</b>			<u>5,105,648</u>		<u>9,680,670</u>
<b>Total assets less current liabilities</b>			<u>6,644,978</u>		<u>11,424,592</u>
<b>Creditors: amounts falling due after more than one year</b>					(2,366,592)
<b>Provisions for liabilities</b>					-
			<u>6,644,978</u>		<u>9,058,000</u>
<b>Capital and reserves</b>					
Called up share capital	21		52,500		52,500
Share premium account			230,000		230,000
Profit and loss account			6,362,478		8,775,500
<b>Shareholders' funds</b>			<u>6,644,978</u>		<u>9,058,000</u>

Notes on pages 16 to 35 form part of the audited financial statements.

The financial statements on pages 10 to 35 were approved by the Board of Directors on 29 September 2020

  
 .....  
 R Bhatt  
 Director

  
 .....  
 A Pandey  
 Director

Company Registration No. 4585206

# ELARA CAPITAL PLC

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 MARCH 2020

The Group	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
<b>For the year ended 31 March 2019</b>				
Balance at 1 April 2018	52,500	230,000	30,617,025	30,899,525
Profit for the year	-	-	3,433,487	3,433,487
Foreign exchange profit on translation of foreign operations	-	-	1,769,769	1,769,769
Issue of preference share capital	1,537,831	-	-	1,537,831
Dividends	-	-	(200,000)	(200,000)
<b>Balance at 31 March 2020</b>	<b>1,590,331</b>	<b>230,000</b>	<b>35,620,281</b>	<b>37,440,612</b>
<b>For the year ended 31 March 2020</b>				
(Loss) for the year	-	-	(17,230,774)	(17,230,774)
Foreign exchange gain on translation of foreign operations	-	-	691,761	691,761
Dividends	-	-	(160,000)	(160,000)
<b>Balance at 31 March 2018</b>	<b>1,590,331</b>	<b>230,000</b>	<b>18,921,268</b>	<b>20,741,599</b>
<b>The Company</b>				
	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
<b>For the year ended 31 March 2019</b>				
Balance at 1 April 2018	52,500	230,000	9,156,178	9,438,678
Total comprehensive loss for the year	-	-	(180,678)	(180,678)
Dividends	-	-	(200,000)	(200,000)
<b>Balance at 31 March 2019</b>	<b>52,500</b>	<b>230,000</b>	<b>8,775,500</b>	<b>9,058,000</b>
<b>For the year ended 31 March 2020</b>				
Total comprehensive loss for the year	-	-	(2,253,022)	(2,253,022)
Dividends	-	-	(160,000)	(160,000)
<b>Balance at 31 March 2020</b>	<b>52,500</b>	<b>230,000</b>	<b>6,362,478</b>	<b>6,644,978</b>

Notes on pages 16 to 35 form part of the audited financial statements.



# ELARA CAPITAL PLC

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

	Notes	1 April 2019 to 31 Mar 2020 £	1 April 2018 to 31 Mar 2019 £
<b>Cash flows from operating activities</b>			
Cash generated/(used in) operations	1	1,146,743	(2,096,945)
Interest paid	9	(963,465)	(338,257)
Income taxes paid		(57,546)	(37,526)
<b>Net cash inflow/(outflow)from operating activities</b>		<b>125,732</b>	<b>(2,472,728)</b>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	11	(5,669)	(9,880)
Purchase of tangible fixed assets	12	(46,255)	(139,645)
Proceeds on disposal of tangible fixed assets		299	3,497
Proceeds on disposal of fixed assets investments		320,043	169,488
Decrease/(increase) in loan and advances		(3,136,292)	(6,629,065)
Interest received		1,054,090	407,096
Dividends received	7	391,045	387,634
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,422,739)</b>	<b>(5,810,875)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	1,537,831
Issue of convertible loans	25	-	7,126,557
Repayment of borrowings		110,244	(107)
Increase in bank overdraft		67,169	186,150
Dividends paid		(160,000)	(200,000)
<b>Net cash generated from financing activities</b>		<b>17,413</b>	<b>8,650,431</b>
<b>Net decrease increase in cash and cash equivalents</b>		<b>(1,279,594)</b>	<b>366,828</b>
Cash and cash equivalents at beginning of year		7,566,959	7,200,131
<b>Cash and cash equivalents at end of year</b>		<b>6,287,365</b>	<b>7,566,959</b>

Notes on pages 16 to 35 form part of the audited financial statements.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

1	Cash generated from operations	Notes	1 April 2019 to 31 Mar 2020 £	1 April 2018 to 31 Mar 2019 £
	Total comprehensive (loss)/income for the year after tax		(16,539,013)	5,203,256
	<b>Adjustments for:</b>			
	Taxation (credited)	10	(1,310,628)	(52,917)
	Interest payable and similar charges	9	963,465	338,257
	Investment income		(1,435,726)	(865,219)
	Loss on disposal of tangible fixed assets	3	3,025	4,053
	Amortisation and impairment of intangible fixed assets	11	4,834	4,461
	Depreciation and impairment of tangible fixed assets	12	73,034	98,954
	Profit on sale of investments	7	-	(125,580)
	Amounts written off investments		(25,346)	-
	Increase in provisions	26	18,058	11,102
	<b>Movements in working capital:</b>			
	Decrease/(increase) in shares and securities held for trading		20,269,658	(11,069,035)
	Decrease in debtors		296,840	882,257
	(Decrease)/increase in creditors		(1,171,458)	3,473,466
	<b>Cash generated from/(used in) operations</b>		<u>1,146,743</u>	<u>(2,096,945)</u>

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting Policies

#### Group information

Elara Capital PLC together with its subsidiaries listed in note 27 forms the Elara Group. The registered office is 248a Marylebone Road, London, NW1 6JZ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as issued in August 2014 and the requirements of the Companies Act 2006. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### 1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2020. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The 2020 loss after tax charge of the Company was £2,253,022 (2019: loss £180,678).

#### 1.3 Measurement convention

The financial statements are prepared on the historical cost basis except for investments held for trading, which are stated at their fair value and classified at fair value through the profit and loss.

#### 1.4 Going concern

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 1-2.

In light of the Group's financial resource and the impact of Coronavirus on the financial statements, the Directors believe that the Group is well positioned to successfully manage its business risks and have a reasonable expectation that the Group has adequate resource to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies (continued.)

#### 1.5 Turnover

Fee income represents revenue earned under a wide variety of contracts to provide professional services including the Management fee receivable by the subsidiary of the Group. Revenue is recognised as and when earned, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax. Advances received on account of work to be performed are included in deferred income.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently stated net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor Vehicles	25% reducing balance
Leasehold Improvements	Over the expected period of the life of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Intangible assets and amortisation

Intangible assets are stated at cost less amortisation. Amortisation is charged to the profit and loss account on a straight line basis over the life of the asset.

#### 1.8 Investments in subsidiary undertakings

Investments by the Company in subsidiary undertaking are included at cost and assessed for impairment if indications exist. Decrease in profitability and decrease in net asset value of the subsidiaries are the common indicators for impairment. In the opinion of the Directors, the aggregate value of the subsidiary undertakings is not less than the aggregate amount at which the assets are included in the Company's balance sheet.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies (continued.)

#### 1.9 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. Reversal of an impairment loss is recognised in profit or loss.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies (continued.)

#### 1.11 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial instruments**

Trade and other debtors are recognized on the balance sheet when the Group becomes a party to the contractual provisions of the instruments at transaction price less attributable transaction costs.

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the liability is discharged.

Cash at bank comprises cash balances and call deposits.

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value with changes recognised in profit or loss (other operating income/expenses).

#### **Other financial instruments**

Derivative financial instruments and holdings in mutual funds/unit trusts are designated as at fair value through profit or loss and are measured at subsequent reporting dates at fair value. Where securities are designated at fair value through profit or loss, gains and losses arising from changes in fair value are included in profit or loss for the accounting period. The Group determines the classification of its financial instruments on initial recognition.

Derivative financial instruments are held for trading and carried at fair value as assets or liabilities. Fair value of financial instruments is based on quoted market prices. Changes in fair values are recognised in the profit or loss account.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies (continued.)

#### 1.12 Taxation

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when Companies within the Group intend to settle on a net basis and legal right to offset exist.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expenses are non-taxable or are disallowable for tax, or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in the Group and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### 1.13 Foreign currency translation for subsidiaries

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to other comprehensive income.

#### 1.14 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in profit and loss account.

#### 1.15 Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### 1.16 Leases

Operating lease rentals are charged to profit and loss account on a straight line basis over the period of the lease.

Benefit received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 2 Turnover

The total turnover is derived from the active members of the Group as follows:

#### Segmental reporting by geographical area

##### For the year from 1 April 2019 to 31 March 2020

	United Kingdom	Singapore	India	Mauritius	United States	Total
	£	£	£		£	£
Turnover	736,703	165,438	4,146,182	5,442,782	18,881	10,509,986
Other income/(expense)	(8,475,920)	(18,335)	1,271,363	(9,445,543)	1	(16,668,434)
Expenses	(1,637,048)	(466,526)	(6,274,617)	(3,694,379)	(335,730)	(12,408,300)
Amount written off	-	-	-	25,346	-	25,346
Profit/(Loss) before tax	<u>(9,376,265)</u>	<u>(319,423)</u>	<u>(857,072)</u>	<u>(7,671,794)</u>	<u>(316,848)</u>	<u>(18,541,402)</u>
Net Assets	<u>2,013,305</u>	<u>1,267,319</u>	<u>1,135,852</u>	<u>15,983,845</u>	<u>341,278</u>	<u>20,741,599</u>

##### For the year from 1 April 2018 to 31 March 2019

	United Kingdom	Singapore	India	Mauritius	United States	Total
	£	£	£	£	£	£
Turnover	1,193,875	192,377	2,892,559	11,208,411	22,845	15,510,067
Other income	(893,737)	8,627	360,879	123,096	841	(400,294)
Expenses	(1,496,396)	(436,688)	(5,384,191)	(4,014,094)	(397,834)	(11,729,203)
Profit/(Loss) before tax	<u>(1,196,258)</u>	<u>(235,684)</u>	<u>(2,130,753)</u>	<u>7,317,413</u>	<u>(374,148)</u>	<u>3,380,570</u>
Net Assets	<u>2,285,183</u>	<u>1,519,851</u>	<u>3,870,347</u>	<u>28,919,573</u>	<u>845,658</u>	<u>37,440,612</u>



# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

<b>3</b>	<b>Expenses and auditor's remuneration</b>	<b>1 April 2019</b> To <b>31 Mar 2020</b> £	<b>1 April 2018</b> To <b>31 Mar 2019</b> £
	Fees payable to the Group's auditors for audit of the Company's financial statements	23,500	37,000
	Fees payable to the Group's auditors for CASS audit	3,000	11,000
	Fees payable to the subsidiaries auditor for the audit of their financial statements	54,265	54,097
	Loss on disposal of tangible fixed assets	3,025	4,053
	Depreciation of owned tangible fixed assets	73,034	101,150
	Amortisation and impairment of intangible fixed assets	4,834	2,265
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Other operating income</b>	<b>1 April 2019</b> To <b>31 Mar 2020</b> £	<b>1 April 2018</b> To <b>31 Mar 2019</b> £
	Operating profit for the year is stated after charging/(crediting):		
	Unrealised (losses) on current asset investments	(18,455,780)	(1,206,243)
	Net realised gains/(loss) on current asset investments	36,942	(183,920)
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Directors' emoluments</b>	<b>Year ended</b> <b>31 Mar 2020</b> £	<b>Year ended</b> <b>31 Mar 2019</b> £
	Aggregate emoluments	275,571	275,549
	Aggregate contributions to a money purchase pension scheme	8,100	40,500
	Retirement benefit is accruing to 2 (2019:2) directors under a defined contribution money purchase schemes.		
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
	Emoluments	152,660	152,769
	Contributions to a money purchase pension scheme	4,500	22,500
		<u>          </u>	<u>          </u>

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 6 Employees

#### The Group

#### Number of employees

The number of employees (including directors) at year end was:

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
	Number	Number
Management	14	14
Other Staff	113	122
	<hr/>	<hr/>
	127	136
	<hr/> <hr/>	<hr/> <hr/>
<b>Employment costs</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>
	£	£
Wages and salaries	5,144,272	4,890,144
Social security costs	114,484	116,191
Pension Costs	24,727	40,500
	<hr/>	<hr/>
	5,283,483	5,046,835
	<hr/> <hr/>	<hr/> <hr/>

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

<b>7</b>	<b>Income from fixed assets investment</b>	<b>1 April 2019 To 31 Mar 2020 £</b>	<b>1 April 2018 To 31 Mar 2019 £</b>
	Dividends received	391,045	387,634
	Profit on sale of investments	-	125,580
		391,045	513,214
		391,045	513,214
<b>8</b>	<b>Interest receivable and similar income</b>	<b>1 April 2019 To 31 Mar 2020 £</b>	<b>1 April 2018 To 31 Mar 2019 £</b>
	Bank interest	121,773	273,760
	Other interest	922,908	203,825
		1,044,681	477,585
		1,044,681	477,585
<b>9</b>	<b>Amounts written off investments</b>	<b>1 April 2019 To 31 Mar 2020 £</b>	<b>1 April 2018 To 31 Mar 2019 £</b>
	Amounts written back to financial liabilities	110,137	-
	Other gains and losses	(84,791)	-
		25,346	-
		25,346	-
<b>10</b>	<b>Interest payable and similar charges</b>	<b>1 April 2019 To 31 Mar 2020 £</b>	<b>1 April 2018 To 31 Mar 2019 £</b>
	On bank loans and overdrafts	163,065	40,227
	Interest on convertible loan note	800,400	295,068
	Other interest	-	2,962
		963,465	338,257
		963,465	338,257

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Taxation	1 April 2019 To 31 Mar 2020 £	1 April 2018 To 31 Mar 2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	75,084	255,694
Adjustments in respect of prior periods	-	(158,291)
Foreign current tax on profits for the current period	(7,432)	6,343
	<u>                    </u>	<u>                    </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,378,280)	(156,663)
	<u>                    </u>	<u>                    </u>
<b>Total tax (credited)</b>	<u><u>(1,310,628)</u></u>	<u><u>(52,917)</u></u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	1 April 2019 To 31 Mar 2020	1 April 2018 To 31 Mar 2019
(Loss)/profit before taxation	(18,496,294)	3,380,570
	<u>                    </u>	<u>                    </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (1 April 2018 to 31 March 2019: 19.00%)	(3,514,296)	642,308
Tax effect of expenses that are not deductible in determining taxable profit	161,403	146,141
Permanent capital allowances in excess of depreciation	(1,643)	(3,079)
Depreciation on assets not qualifying for tax allowances	1,775	2,019
Other permanent differences	4,567	4,706
Dividend income	(1,215,044)	(331,544)
Foreign tax adjustments	3,252,610	(513,468)
	<u>                    </u>	<u>                    </u>
<b>Current tax (credited) for the year</b>	<u><u>(1,310,628)</u></u>	<u><u>(52,917)</u></u>

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Intangible assets

	Intangible assets
	2020
	£
<b>Cost</b>	
At 1 April 2019	31,222
Additions	5,669
Disposals	-
At 31 March 2020	<u>36,891</u>
<b>Amortisation</b>	
At 1 April 2019	20,582
Charge for the year	4,834
Disposals	-
At 31 March 2020	<u>25,416</u>
<b>Net book value</b>	
At 31 March 2020	<u>11,475</u>
At 31 March 2019	<u>10,640</u>

All intangible assets are held by subsidiaries of the Group, and relate to licenses. Intangible assets are amortized on a straight line basis over a period of three years and recognized under admin expenses in the profit or loss account.

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 13 Tangible assets

#### The Group

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2019	296,127	802,264	58,131	1,156,522
Additions	-	46,255	-	46,255
Disposals	-	(15,956)	(1,303)	(17,259)
<b>At 31 March 2020</b>	<b>296,127</b>	<b>832,563</b>	<b>56,828</b>	<b>1,185,518</b>
<b>Depreciation</b>				
At 1 April 2019	264,999	581,572	40,408	886,979
Charge for the year	2,724	65,993	4,317	73,034
On disposals	-	(13,086)	(849)	(13,935)
<b>At 31 March 2020</b>	<b>267,723</b>	<b>634,479</b>	<b>43,876</b>	<b>946,078</b>
<b>Net book value</b>				
At 31 March 2020	28,404	198,084	12,952	239,440
At 31 March 2019	31,128	220,692	17,723	269,543

#### The Company

	Leasehold improve- ments	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2019	26,328	72,817	39,382	138,527
Additions	-	7,630	258	7,888
Disposals	-	(7,610)	(5,211)	(12,821)
<b>At 31 March 2020</b>	<b>26,328</b>	<b>72,837</b>	<b>34,429</b>	<b>133,594</b>
<b>Depreciation</b>				
At 1 April 2019	26,328	44,867	35,456	106,651
Charge for the year	-	8,466	877	9,343
On disposals	-	(5,897)	(4,640)	(10,537)
<b>At 31 March 2020</b>	<b>26,328</b>	<b>47,436</b>	<b>31,693</b>	<b>105,457</b>
<b>Net book value</b>				
At 31 March 2020	-	25,401	2,736	28,137
At 31 March 2019	-	27,950	3,926	31,876

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 14 Fixed asset investments

##### The Group

	Unlisted	Total
	£	£
<b>Cost and net book value</b>		
At 1 April 2019	60	60
Disposal	-	-
At 31 March 2020	<u>60</u>	<u>60</u>

##### The Company

	Shares in subsidiary undertakings	Total
	£	£
<b>Cost</b>		
At 1 April 2019	5,740,844	5,740,844
Disposal	635,126	635,126
At 31 March 2020	<u>6,375,970</u>	<u>6,375,970</u>
<b>Provisions for diminution in value</b>		
At 1 April 2019	4,028,798	4,028,798
Charge for the year	835,979	835,979
At 31 March 2020	<u>4,864,777</u>	<u>4,864,777</u>
<b>Net book value</b>		
At 31 March 2020	<u>1,511,193</u>	<u>1,511,193</u>
At 31 March 2019	<u>1,712,046</u>	<u>1,712,046</u>

Please refer to note 28 for the complete list of subsidiaries.

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 15 Current asset investments and other financial assets

	01-Apr-19 to 31-Mar-20 £	01-Apr-18 to 31-Mar-19 £
<b>The Group</b>		
<b>Current asset investment</b>		
Financial assets designated as fair value through profit or loss	11,081,198	31,350,856
	<u>11,081,198</u>	<u>31,350,856</u>
Trade Debtors	1,269,418	1,818,290
Cash at bank and in hand	6,287,365	7,566,959
	<u>6,287,365</u>	<u>7,566,959</u>
<b>Other financial liabilities</b>		
Trade creditors	3,023,229	5,090,931
	<u>3,023,229</u>	<u>5,090,931</u>
	01-Apr-19 to 31-Mar-20 £	01-Apr-18 to 31-Mar-19 £
<b>The Company</b>		
<b>Current asset investment</b>		
Financial assets designated as fair value through profit or loss	1,763,419	13,059,151
	<u>1,763,419</u>	<u>13,059,151</u>
Trade Debtors	172,996	32,225
Cash at bank and in hand	976,465	497,665
	<u>976,465</u>	<u>497,665</u>
<b>Other financial liabilities</b>		
Trade creditors	894,291	4,965,363
	<u>894,291</u>	<u>4,965,363</u>

#### Investments in debt, equity securities and units of collective investments scheme

The fair value of financial assets at fair value through profit or loss, is determined by reference to their quoted price at the balance sheet date. The fair value of investment in collective investment scheme is determined by the net asset statement issued by the independent administrator.

Trade Debtors are recognised at the net realisable after the provision if any required for the bad debts.

#### Derivative financial instruments

The fair value of derivative contracts is based on their listed market price.



# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Debtors	Year ended 31 Mar 2020 £	Year ended 31 Mar 2019 £
<b>The Group</b>		
Trade debtors	1,269,418	1,818,290
Other debtors	13,006,564	9,643,842
Prepayments and accrued income	160,160	143,967
Deferred tax asset (see note 19)	2,308,477	930,225
	<u>16,744,619</u>	<u>12,536,324</u>
	<u>Year ended 31 Mar 2020 £</u>	<u>Year ended 31 Mar 2019 £</u>
<b>The Company</b>		
Trade debtors	172,996	32,225
Other debtors	1,841,737	1,607,719
Prepayments and accrued income	54,638	53,821
Deferred Tax Asset (see note 19)	2,307,746	459,090
	<u>4,377,117</u>	<u>2,152,855</u>
	<u>Year ended 31 Mar 2020 £</u>	<u>Year ended 31 Mar 2019 £</u>
17 Creditors: amounts falling due within one year	Year ended 31 Mar 2020 £	Year ended 31 Mar 2019 £
<b>The Group</b>		
Trade creditors	3,023,229	5,090,931
Bank loans and overdrafts	984,305	917,136
Corporation tax	361,369	351,291
Other taxes and social security costs	406,239	398,963
Accruals and deferred income	1,727,139	838,064
	<u>6,502,281</u>	<u>7,596,385</u>
	<u>Year ended 31 Mar 2020 £</u>	<u>Year ended 31 Mar 2019 £</u>
<b>The Company</b>		
Trade creditors	894,291	4,965,363
Bank loans and overdrafts	984,305	917,136
Other taxes and social security costs	32,302	33,794
Accruals and deferred income	100,455	112,708
	<u>2,011,353</u>	<u>6,029,001</u>
	<u>Year ended 31 Mar 2020 £</u>	<u>Year ended 31 Mar 2019 £</u>

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

<b>18</b>	<b>Loans and Advances</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
	<b>The Group</b>		
	Short term advances	35,440	440,274

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

The deferred tax asset (included in debtors, note 16) is made up as follows:

<b>The Group</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2019	(930,225)	(772,975)
Profit and loss account	(1,378,252)	(157,250)
<b>Balance at 31 March 2020</b>	<b>(2,308,77)</b>	<b>(930,225)</b>
<b>The Company</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2019	(459,090)	(408,320)
Profit and loss account	(1,848,656)	(50,770)
<b>Balance at 31 March 2020</b>	<b>(2,307,746)</b>	<b>(459,090)</b>

The deferred tax asset set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 20 Employee benefits

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £24,727 (2019 - £40,500).

<b>21</b>	<b>Share capital</b>	<b>Year ended 31 Mar 2020</b>	<b>Year ended 31 Mar 2019</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital Issued and fully paid</b>		
	5,250,000 Ordinary Shares of 1p each	52,500	52,500
	1,443,750 Compulsory Convertible non-cumulative preference shares of INR100 each	1,537,831	1,537,831
		<b>1,590,331</b>	<b>1,590,331</b>

# ELARA CAPITAL PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 22 Control

The ultimate controlling party is Mr.R Bhatt, a director who holds 57.62% (31st March 2019: 57.62%) of the issued and fully paid shares.

### 23 Capital Management Policy

Each entity within the Group has a requirement to maintain a certain level of capital adequacy. It achieves this objective by regularly monitoring the Company's management information and as per the methods prescribed by the Company's regulator in the respective jurisdiction where the entity is based and when necessary, corrective action is taken as appropriate. The Group has reviewed its Internal Capital Adequacy Assessment Process (ICAAP) document for the year ended 31 March 2020 to ensure adherence to the all regulatory requirements. This document is available for viewing at Company's registered office 248a, Marylebone Road, London, NW1 6JZ, UK.

### 24 Financial commitments

The annual commitment on the operating lease is £127,563 for the London office. Under the terms of the lease the Company has a commitment to restore the premises to their original condition prior to leaving.

The annual commitment on the operating lease for the subsidiary companies is £420,967 (2019: £332,726), and these are charged to the profit and loss account on a straight line basis over the period of the lease.

The Group had commitments in respect of office premises under non-cancellable commitments for land and buildings operating leases set out below:

The Group	Year ended 31 Mar 2020 £	Year ended 31 Mar 2019 £
Within one year	584,952	608,720
Two to five years	894,527	1,424,816
After five years	-	-

Rent expense for the year ended March 31, 2020 was £683,044 (2019: £582,420).

The Company	Year ended 31 Mar 2020 £	Year ended 31 Mar 2019 £
Within one year	163,985	189,222
Two to five years	229,260	392,711
After five years	-	-

Rent expense for the year ended March 31, 2020 was £200,492 (2019: £194,139) including the rent paid for Dubai office.

Elara Capital Plc has provided a guarantee of INR 30,000,000 (approximately £320,737) to ICICI Bank Ltd, India via an arrangement letter dated 12<sup>th</sup> June 2019 in favour of Elara Securities (India) Pvt Ltd for a future and option margin limit. This facility provides Elara Securities (India) Pvt Ltd to execute high value trades.

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 25 Related party transactions

During the year the company has following related parties transactions:

	2020	2019
From a director – fee paid	£10,000	£10,000
Due from entity controlled by directors – interest charged at 5% pa	£1,392,689	£1,160,939
Fellow subsidiary – normal commercial rates	-	2,366,699
During the year the Company paid fees as follows:-		
	2020	2019
Referral Fee to Elara Securities Inc	£68,836(\$87,500)	-
Interest to Elara Capital (Mauritius) Ltd	£72,294 (US\$83,688 and £4,512)	£65,640 (US\$79,048 and £6,374)

#### 26 Creditors: amounts falling due after more than one year

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
--	---------------------------	---------------------------

##### The Group

Compulsory convertible debentures	7,126,557	7,126,557
-----------------------------------	-----------	-----------

Elara Finance (India) Private Limited issued 655,800 11% compulsory convertible debentures with face value of INR1000 each during the year to Elara India Opportunities Fund Ltd.

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
<b>The Company</b>		
Loan from Elara Capital (Mauritius) Limited	-	2,366,892

#### 27 Provisions for liabilities

	Year ended 31 Mar 2020	Year ended 31 Mar 2019
--	---------------------------	---------------------------

##### The Group

Compulsory convertible debentures	29,160	11,102
-----------------------------------	--------	--------

Elara Finance (India) Private Limited provided an amount of INR 2,727,302 (2019: INR1,004,917) as provision for Standard Assets as per the Companies Act in India applicable to Non-Banking Financial Company.

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 28 Related undertakings

Details of the Company's subsidiaries as at 31 March 2020 are as follows:

Name of undertaking	Registered Address	Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Elara Capital (India) Private Ltd	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Investment Banking	Ordinary	100	
Elara Securities (India) Private Ltd	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Broking	Ordinary		100
Elara Finance (India) Private Limited	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Non-Banking Financial Services	Ordinary		100
Elara Story teller Advisory Private Limited	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Investment Manager	Ordinary		100
Elara Wealth Investment Advisors (India) Private Limited	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Investment Advisory	Ordinary		100
Elara Capital (Mauritius) Limited	365, Royal Road, Rose Hill, Mauritius, 71366	Investment Advisory	Ordinary	100	
Elara Asset Management Limited	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Investment Advisory	Ordinary	100	
Elara Capital Singapore Pte Limited	30, Raffles Place, # 20-03 Chevron House, Singapore-048622	Broking	Ordinary	100	
Elara Capital (Asia) Pte. Ltd	30, Raffles Place, # 20-03 Chevron House, Singapore-048622	Investment Banking	Ordinary	100	
Elara Capital Inc	950 Third Avenue, Suite 1903, New York, NY 10022, USA	Investment Advisory	Ordinary	100	
Elara Securities Inc	950 Third Avenue, Suite 1903, New York, NY 10022, USA	Broker/ Dealer	Ordinary		100

## ELARA CAPITAL PLC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

#### 28 Related undertakings

Details of the Company's interest in other related undertakings as at 31 March 2020 are as follows:

Name of undertaking	Registered Address	Class of Holding	% Held
Oyster Bay Fund Limited	20 Reid Street, 3rd Floor, Williams House, Hamilton HM11, Bermuda Island of Bermuda	Management-Indirect	100
Amalthea Global Fund Limited	20 Reid Street, 3rd Floor, Williams House, Hamilton HM11, Bermuda Island of Bermuda	Management-Indirect	100
Elara Fixed Income Fund	20 Reid Street, 3rd Floor, Williams House, Hamilton HM11, Bermuda Island of Bermuda	Management-Indirect	100
Elara Global Funds- Elara Emerging Markets Fund	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Elara India Opportunities Fund Limited	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Vespera Fund Limited	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Elara Diversified Income Fund	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Elara Global Funds - Elara India Gateway Fund (Collective Inv Undertaking)	2, boulevard de la Foire, L-1528 Luxembourg	Management-Indirect	100
Pangaea Fund Limited	Cricket Square, Hutchins Drive, PO BOX 2681, Grand Cayman, KY1-1111, Cayman Islands	Management-Indirect	100
Astraea Fund	365, Royal Road, Rose Hill, Mauritius, 71366	Management-Indirect	100

#### 29 Subsequent Events

There are no subsequent events to report which has an impact on the Going Concern assessment of the Group and the Company.