

	Baseless Allegations	Responses with Facts	Supporting Documents
1	<p>The Structure of the Group is complex with a lot of companies “...kan ou pou guete structure BAI, li commence vine enelapatteourite. Ena plis ki 100 compagnies kilier directement ou indirectement au groupe a Maurice mais aussi a Malte, labasena Global Capital PLC, ki lister lor la bourse a Malte avec tout ene lot structure, kirepresenteene lot la toile zaraignee”</p>	<p>The BA Investment is among the top conglomerates in Mauritius investing in diverse sectors of the economy such as Healthcare, Transportation and Financial Services. Inevitably, the Group is structured under different companies, namely Courts/Iframac, Apollo, BAI, Bramer Bank, BA Exchange (Western Union) etc. Many of those companies are already in the top 100 companies in Mauritius and employ 8,000 people directly and indirectly.</p> <p>This said “ourite” or “la toile zaraignee” is not specific to BA Investment. This is a normal structure for local or international conglomerates.</p> <p>Other conglomerates in Mauritius include MCB Group, GroupeEspatialier Noel, Group CIEL, Groupe Mon Loisir, LUX Resorts and Group Rogers amongst others.</p>	<p>See attached documents A, B and C for the detailed org charts of the mentioned groups (reference Annual Reports of these Groups)</p>
2	<p>Rs 1.1.bn has been transferred from BPF to the benefit of Seaton/KLAD</p> <p>“ .. ”</p>	<p>This is a gratuitous and unfounded allegation.</p> <p>The only business transaction between BPF and Seaton/Klad is as follows:</p> <p>In 2010, BA Investment Company which was listed on the Stock Exchange of Mauritius decided to withdraw from the Exchange. In accordance with the rules of the Stock</p>	<p>Attached Communiques issued in 2010.</p>

Exchange (Listing Rules), British American Investment had to go through a process of delisting.

BA Investment Company was, at that time, held 69.42% by Seaton Investment Ltd and the remaining shareholding was held by the small investors. The delisting process entailed that the group had to buy the stake from the small investors.

In this respect, BPF was approached by Seaton to finance this buy out of the small investors up to an amount of Rs 450m.

BPF being an authorised mutual fund sought the approval of its shareholders. Thereafter BPF subscribed to the bond issued by Seaton Investment Ltd, which accrues interest and matures in 2017.

Communiqués were issued to the public in May 2010 informing them of this arrangement.

Offer document to all shareholders of BA Investment was approved by the SEM and the FSC in May 2010.

The Rs 450m was therefore used to buy back the shares from thousands of the small investors.

* So the alleged "creole" has in fact gone to the bank account of all the small investors on the sale of their shares.

		our Honourable Minister.	
3	<p>Global Capital Plc - why the company is not consolidated in the accounts of BAI</p> <p>“ ”</p>	<p>BAI Mauritius acquired the Maltese branch in 1997 for around Rs 85m. In 2000, the branch was localised and merged with Globe (an asset management business in Malta) to form a new entity, today known as Global Capital Plc. Over time, BAI purchased more shares in the Company on the Malta Stock Exchange.</p> <p>Global Capital Plc, is a Maltese company and listed on the Malta Stock Exchange. Malta is a member state of the European Union and its regulator is the Malta Financial Services Authority.</p> <p>BPF, being an authorised mutual fund, invested in GlobalCapital through the open market of the Malta Stock Exchange.</p> <p>The reason why the accounts of Global Capital have not been consolidated with BAI is that BPF is a mutual fund that is not under the control of BAI. Therefore, BPF shareholding cannot be cumulated with BAI shareholding.</p> <p>Global Capital Plc has investments in various businesses including life insurance, health insurance and</p>	

		<p>properties.</p> <p>Information on this Company is readily available on the website of the Stock Exchange of Malta.</p> <p>The amounts invested by BAI Mtius in Global Capital plc do not reflect the billions transferred as referred to by the Minister.</p>	
4	<p>Dawood Rawat owns Castle in Italy using SCBG funds from Mauritius and property has been over-valued.</p> <p><i>“Il semble que c’est a travers la structure maltaise que les actifs du groupe sont acquis. On mentionne un chateau en Italie. Une partie des acquis est donc sortie du systeme.”</i></p>	<p>BAI Mauritius acquired the Maltese branch in 1997 for around Rs 85m. In 2000, the branch was localised and merged with Globe (an asset management business in Malta) to form a new entity, today known as Global Capital Plc. Over time, BAI purchased more shares in the Company on the Malta Stock Exchange.</p> <p>Global Capital Plc, which is a Maltese company and listed on the Malta Stock Exchange. Malta is a member state of the European Union and its regulator is the Malta Financial Services Authority.</p> <p>The Minister made mention of a Castle in Italy and is no more alleging that Dawood Rawat is the proprietor!!</p> <p>The castle belongs to Global Capital Plc Group through its 100% subsidiary, Quadrant Italia S.R.L. Please refer to Page 83 section 14 of the audited accounts of the annual report of Global Capital Plc.</p> <p>Furthermore the notes to financial statements on page</p>	

		<p>56 section 1(a) stipulates the <i>details of the valuation methodology and key assumptions of investment property classified as Level 3 are disclosed in Note 14 to the financial statements.</i></p> <p>Based on the foregoing, we would request the Minister to explain and substantiate his statement: <i>“Unepartie des acquisestdonc sortie du systeme”</i>.</p>	
5	<p>Dawood Rawat owns properties in Malta, Bulgaria and Croatia using SCBG funds from Mauritius.</p>	<p>Global Capital is an independent company with its own board and investment committee, which operate independently of BAI.</p> <p>Investments held by Global Capital Plc are not funded by SCBG from Mauritius.</p> <p>The ownership of the properties being referred is provided on page 84 of the annual report 2013 of Global Capital Plc. For example, subsidiaries namely, Brammer Limited holds Bulgaria Apartments, Global Properties Limited holds land in Croatia, Quadrant SRL holds Rome Castle and Central Landmark Development Ltd holds properties in Malta.</p> <p>The accounts of Global Capital Plc Group are audited by Deloitte.</p>	<p>The value of all properties held by Global Capital group of companies amount to EUR20.3m as at 31 December 2013. Reference to page 83 of the annual report of Global Capital Plc and as audited by Deloitte.</p>
6	<p>The Minister maintains his allegation of “Ponzi” and based himself on the</p>	<p>It is interesting to note that our Honorable Minister mentioned only 5 criteria out of the 11 from the US Securities and Exchange Commission.</p>	

definition Ponzi as per the U.S Securities and Exchange Commission

Let us look at a couple of these criteria that our Honorable Minister has deliberately ignored:

(a) *Overly consistent returns*

"Investment values tend to go up and down over time, especially those offering potentially high returns. Be suspect of an investment that continues to generate regular, positive returns regardless of overall market conditions."

The returns on the BAI insurance products have varied over time based on overall market conditions. For example bonus rates on 1-year SCBG policies decreased from 7.25% in 2010 to 5.25% in 2015, resulting from decreasing repo rate and returns on the market.

(b) *Unregistered investments*

Ponzi schemes typically involve investments that have not been registered with the SEC or with state regulators. Registration is important because it provides investors with access to key information about the company's management, products, services, and finances.

All products offered by BAI are duly approved by FSC prior to commercialisation.

All clients can get full and unhindered access to

		If we go by the straight-jacketed definition used by our Honorable Minister, we would be inclined to think that our National Pension Fund is the biggest 'Ponzi' Scheme ever.	
7.	There has been exaggerations in valuations and fair value adjustments to plug assets gap	<p>Valuations are done by chartered valuers as per international standards. These are cross verified by independent parties of international reputation appointed by the external auditors. This is fully explained in all annual reports of companies in accordance with international accounting standards (International Financial Reporting Standards).</p> <p>Fair values adjustments are a normal process to reflect the true value of the investments as the value changes.</p> <p>For example, BAI recognised a fair value gain of Rs 3.2bn for the year 2014. As a comparison, from public information available we note that Anglo Assurance, ENL and Rogers recognised fair value gains of Rs 6.3bn, Rs 3.9bn and Rs 2.4bn respectively for the year 2014.</p> <p>Should we then accuse them of doing fair value adjustments to plug assets gap.</p>	<p>Supporting documents of the accounts are provided herein.</p> <p>Also refer to annual reports to take note of the figures on the fair value gains</p>
9.	BAI has been adopting an aggressive marketing campaign across towns and villages to attract clients	According to our Honorable Minister should we then conclude that any company with an aggressive marketing strategy should be viewed with suspicion? Then probably Apple or Coca Cola would be among the first companies to fall in this category.	
10.	BAI has guaranteed a loan		

	<p>of Rs 40m in favour of the ex-PM.</p>	<p>I wish to clarify that the letter mentioned by the minister is not a letter of guarantee. Unfortunately, our Honourable Minister is again misleading public with this allegation.</p> <p>The said letter is addressed to the client and not to the Bank and the events that led to the letter being issued are as follows:</p> <ul style="list-style-type: none"> i. The client approached BAI for a mortgage loan of Rs 40m to finance the acquisition of a property. ii. The client indicated that, subject to the loan being approved, he would wish that the loan amount be credited to his bank account at Bramer Bank. iii. the letter, that was energetically being brandish by the Honourable Minister, in fact just state the facts and confirm that should the client satisfy the lending criteria, BAI will accede to the request of crediting his bank account. <p>It is important to know that the client subsequently advised BAI that he received other offers and he decided not to pursue his application with BAI. → SIC</p> <p>So what is it that the honourable minister is unhappy about??</p>	
11.	<p>Sales of SCB Gold started to grow significantly after tax was introduced on savings in 2007</p>	<p>SCBG is a regulated product that has been on the market in various forms since 1992; it has gone through various government budgets and Ministers of Finance. This product, same as any other financial products in the</p>	

		<p>market, was subject to applicable tax regimes.</p> <p>What is the issue if insurance products were being favoured in a regime where there was tax on savings?</p>	
12.	<p>Is there a link between British American in Trinidad and BAI Co (Mtius) Ltd?</p>	<p>The British American Insurance brand was initially present in more than 30 countries across the globe including Kenya, Mauritius and Malta. Over time, the companies under the brand were being disposed, and thus had new shareholders. Whilst the name is still being used in several countries, there are no connections between BAI in Mauritius and BAI in these other countries except for the ones in Kenya and Malta.</p> <p>I wish to repeat that the company being referred by the Honourable Minister, namely CLICO is not in any way associated with BAI Co (Mtius) Ltd.</p>	