INDIABULLS ASSET MANAGEMENT MAURITIUS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

INDIABULLS ASSET MANAGEMENT MAURITIUS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS **PAGES**

			Date of appointment	Date of resignation
DIRECTORS	:	Kaneyalall Hawabhay	18 July 2016	-
		Paul Vivian Gilbert Mario Chutel	18 July 2016	-
		Amber Maheswari	24 July 2017	-

ADMINISTRATOR AND SECRETARY :

As from 31 August 2017
Minerva Fiduciary Services (Mauritius) Limited
Suite 2004, Level 2, Alexander House
35 Cybercity,
Ebène,
Mauritius

Up to 31 August 2017
Citco (Mauritius) Limited
4th Floor, Tower A
Ebène
Mauritius

REGISTERED OFFICE :

As from 31 August 2017
C/o Minerva Fiduciary Services (Mauritius) Limited
Suite 2004, Level 2, Alexander House
35 Cybercity,
Ebène,
MAURITIUS

Up to 31 August 2017
Citco (Mauritius) Limited
4th Floor, Tower A
Ebène,
MAURITIUS

AUDITOR :

Deloitte
7th-8th Floor, Standard Chartered Tower
19-21 Bank Street
Cybercity, Ebène
MAURITIUS

BANKER :

SBM Bank (Mauritius) Ltd
Level 6, SBM Tower
1 Queen Elizabeth II Avenue
Port Louis
MAURITIUS

The directors present their commentary report and the audited financial statements of Indiabulls Asset Management Mauritius, (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The Company was incorporated on 18 July 2016 and its principal activity is to provide management services to IREF Offshore Fund 1.

RESULTS AND DIVIDENDS

The results for the year ended 31 March 2018 are shown in the statement of profit or loss and other comprehensive income and related notes.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the financial performance and financial position of the Company. In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue business.

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

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

AUDITOR

The auditor, Messrs Deloitte, has been appointed as auditor and a resolution concerning their re-appointment will be proposed at the next Annual Meeting of the Shareholders.

The Corporate Governance Report has been prepared in compliance with the Securities Act 2005 which requires every company licensed as a CIS Manager to prepare a Corporate Governance report for inclusion in the Financial Statements.

For the avoidance of doubt, the Company has taken certain voluntary steps to comply with the Code of Corporate Governance for Mauritius as far as are reasonable.

General Information

The Company was incorporated on 18 July 2016 as a private company limited by shares under the laws of Mauritius. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 (FSA 2007) and a CIS Manager Licence pursuant to Section 98 of the Securities Act 2005.

The principal activity of the Company is to operate as a CIS Manager.

Board Composition and Governance Structure

The Company is headed by a unitary and effective Board which comprises of the following individuals:

Mr. Ambar Maheswari (Appointed on 24 July 2017)
Mr. Kaneyalall Hawabhay
Mr. Paul Vivian Gilbert Mario Chutel

The Board does not have a Chairperson and a Chairperson for each meeting is appointed at each relevant board meeting.

Each of these individuals is appropriately qualified and understands the operational as well as legal aspects of the Company. In addition, the Company has appointed Minerva Fiduciary Services (Mauritius) Limited, a Management Company licensed and regulated by the Financial Services Commission to act as Company Secretary, effective from 31 August 2017. The various officers of the Company assist the Board in its duties relating to risk management, safeguarding of asset, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with legal requirement and accounting standards.

The Board is ultimately accountable and responsible for the performance and affairs of the Company. Its role includes the determination, review and monitoring of the Company's strategic plan, approval of key acquisitions/disposals and capital expenditure. The Board is also responsible for the Company's risk management and internal control processes. The Board promotes, encourages and expects open and frank discussions at meetings. Board meetings provide a forum for challenging and constructive debate. Directors are expected to attend each Board Meeting, unless there are exceptional circumstances that prevent them from so doing. The Directors, in collaboration with the Company Secretary, agree the meeting agendas to ensure adequate coverage of key issues during the period.

Shareholders / Beneficial Owner

The shares of the Company are held by Indiabulls Commercial Credit Limited. Under the Financial Services Act 2007 (FSA 2007), the Company needs to seek prior approval of the FSC before any change in its shareholders and beneficial owner.

Directors' Remuneration

The non resident directors do not receive any remuneration.

For details regarding the remuneration of the resident independent directors, kindly refer to the statement of profit or loss and other comprehensive income of the Audited Financial Statements.

Compliance with Tax Residence Certificate conditions

For the period under review, the Company has complied with the conditions as stipulated under the FSA 2007 for the issuance of a Tax Residence Certificate ("TRC"). The current TRC of the Company is valid till 05 February 2018.

Related Party Transactions

For details on related party transactions, please refer to note 10 of the Audited Financial Statements.

Going Concern Assumption

The financial statements have been prepared on a going concern basis.

Minimum Capital

For details on minimum capital, please refer to note 8 of the Audited Financial Statements.

CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001 5.

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **Indiabulls Asset Management Mauritius** under Section 166 (d) of the Companies Act 2001 for the financial year ended 31 March 2018.

for **Minerva Fiduciary Services (Mauritius) Limited**
Secretary

Registered Office:

C/o Minerva Fiduciary Services (Mauritius) Limited,
Suite 2001, Level 2,
Alexander House, 35 Cybercity
Ebene,
Mauritius

Date: 16 April 2018

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Shareholder of Indiabulls Asset Management Mauritius

Report on audit of the financial statements

Opinion

We have audited the financial statements of **Indiabulls Asset Management Mauritius** (the "Company") set out on pages 8 to 20, which comprise the statement of financial position as at 31 March 2018, 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 accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2018, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

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 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other legal and regulatory requirements

Mauritius Companies Act 2001

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

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

The Securities Act 2005

The Company, as a holder of a CIS Manager licence issued by the Financial Services Commission, is required under The Securities Act 2005 to maintain at all times a minimum paid up and unimpaired stated capital of at least Mauritian Rupees (MUR) 1 million or an equivalent amount.

As stated in Note 8, the Company at 31 March 2018 has a shareholder's equity of USD 3,335 which is approximately equivalent to MUR 108,932, resulting in an impaired capital and has not complied with the provisions of the Securities Act 2005.

The shareholder of the Company has committed to make additional capital injection into the Company to restore the stated capital to unimpaired.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Data, Commentary of Directors, Corporate Governance Report and the Certificate from the Company's Secretary, 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 or 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.

Responsibilities of directors 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 requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies and they are also responsible 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.

Deloitte.

7th-8th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditor's report to the Shareholder of Indiabulls Asset Management Mauritius (cont'd)

Responsibilities of directors for the financial statements (Cont'd)

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.

The directors 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 skepticism 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 management.
- Conclude on the appropriateness of the 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.

We communicate with the directors 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.

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

Deloitte

Deloitte

Chartered Accountants

18 April 2018

R. Srinivasa Sankar

R. Srinivasa Sankar, FCA

Licensed by FRC

	Notes	2018 USD	2017 USD
ASSETS			
Non-current assets			
Available-for-sale financial assets	6	100	100
Current assets			
Prepayments and receivables	7	30,396	3,631
Cash and cash equivalents		814	5,769
		31,210	9,400
TOTAL ASSETS		31,310	9,500
EQUITY AND LIABILITIES			
Equity attributable to equity holder			
Stated capital	8	130,000	30,000
Accumulated losses		(126,665)	(48,355)
Shareholder's equity/(deficit)		3,335	(18,355)
Current liabilities			
Accruals and payables	9	27,975	27,855
TOTAL EQUITY AND LIABILITIES		31,310	9,500

These financial statements have been approved by the Board of Directors on 16 April 2018 and signed on its behalf by:

Director

Director

The notes on pages 12 to 20 are an integral part of these financial statements.

	Notes	For the year ended 31 March 2018 USD	From 18 July 2016 (date of incorporation) to 31 March 2017 USD
Income		-	-
Expenditure			
Incorporation expenses		-	6,000
Registered office and secretarial services		4,434	3,042
Accounting fee		6,167	4,958
Professional fees		37,253	15,113
Directors fees		7,000	4,920
Audit fees		13,900	5,750
Insurance fees		4,858	2,816
License fees		4,091	4,512
Bank charges		599	225
Sundry charges		-	1,019
Foreign exchange		8	-
Total expenses		78,310	48,355
Loss for the year/period before taxation		(78,310)	(48,355)
Income tax expense	5	-	-
Loss for the year/period		(78,310)	(48,355)

The notes on pages 12 to 20 are an integral part of these financial statements.

	Stated capital USD	Accumulated losses USD	Shareholder's equity/(deficit) USD
Shares issued upon incorporation	30,000	-	30,000
Loss for the period	-	(48,355)	(48,355)
At March 31, 2017	30,000	(48,355)	(18,355)
At April 01, 2017	**30,000**	**(48,355)**	**(18,355)**
Issue of shares during the year	**100,000**	-	**100,000**
Loss for the year	-	**(78,310)**	**(78,310)**
At March 31,2018	**130,000**	**(126,665)**	**3,335**

The notes on pages 12 to 20 are an integral part of these financial statements.

	For the year ended 31 March 2018	From 18 July 2016 (date of incorporation) to 31 March 2017
		USD
Operating activities		
Loss for the year/period before tax	**(78,310)**	(48,355)
Adjustments for working capital changes:		
Increase in prepayments and receivables	**(26,765)**	(3,731)
Increase in accruals and payables	**120**	27,855
Net cash used in operating activities	**(104,955)**	(24,231)
Financing activity		
Proceeds from issuance of ordinary shares	**100,000**	30,000
Net cash flows generated from financing activity	**100,000**	30,000
Net (decrease)/increase in cash and cash equivalents	**(4,955)**	5,769
Cash and cash equivalents at the beginning of the year/period	**5,769**	-
Cash and cash equivalents as at end of year/period	**814**	5,769

The notes on pages 12 to 20 are an integral part of these financial statements.

1. LEGAL STATUS AND PRINCIPAL ACTIVITY

Indiabulls Asset Management Mauritius (the "Company") was incorporated in the Republic of Mauritius on 18 July 2016 as a private company limited by shares in accordance with the Companies Act 2001. The Company holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission ("FSC"). It has also received an authorisation under Section 98 of the Securities Act 2005 to operate as a CIS Manager. The Company's registered office is at C/o Minerva Fiduciary Services (Mauritius) Limited, Suite 2004, Level 2, Alexander House, 35 Cybercity, Ebène, Mauritius.

The principal activity of the Company is to provide management services to IREF Offshore Fund 1.

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

In the current year, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2017.

2.1 Revised Standards applied with no material effect on the financial statements

The following relevant revised Standard has been applied in these financial statements. Its application has not had any material impact on the amounts reported for current and prior years but may affect the accounting for future transactions or arrangements.

IAS 7 Statement of Cash Flows - Amendments as a result of the Disclosure initiative
IAS 12 Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses

2.2 Relevant new and revised Standards in issue not yet effective

At the date of authorisation of these financial statements, the following relevant new and revised Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 12 Income Taxes - Amendments resulting from Annual Improvements 2015–2017 Cycle (income tax consequences of dividends) (effective 1 January 2019)
IAS 39 Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
IFRS 7 Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)
IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
IFRS 9 Financial Instruments - Amendments regarding the Interaction of IFRS 4 and IFRS 9 (effective 1 January 2018)
IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019)
IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)
IFRIC 23 Uncertainty over Income Tax Treatments (effective 1 January 2019)

The directors anticipate that these Standards and Interpretation will be applied on their effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS").

(b) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollars ("USD") which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(c) Consolidated financial statements

The Company owns 100% of the management shares of IREF Offshore Fund 1 and as per the provisions of IFRS 10, it has been assessed that the Company is not a principal in IREF Offshore Fund 1 and its financial statements should thus not be consolidated with that of IREF Offshore Fund 1.

(d) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity. Related party can also arise if the entity is a post-employment benefit plan for the employee of the reporting entity.

(e) Stated capital

Ordinary shares are classified as equity.

(f) Impairment of assets

At the end of each reporting period, the carrying amounts of assets are assessed to determine whether there is any indication of impairment. If such indication exists, the Company estimates the recoverable amount of the asset, being the higher of the asset's net selling price and its value in use. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Financial instruments are subsequently measured as follows:

Financial assets

The Company classifies its financial assets into available for sale investments and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Available for sale financial assets (AFS)

AFS include equity investments. Equity investments classified as available for sale are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, AFS are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to profit or loss in finance costs. Interest earned whilst holding AFS is reported as interest income using the EIR method.

The Company evaluates whether the ability and intention to sell its AFS in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial assets reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

Loans and receivables

Loans and receivables include cash and cash equivalents and amount receivable from related company.

Cash and cash equivalents are measured at fair value, based on the relevant exchange rate at the reporting date.

Amount receivable from related company is non-derivative financial asset with fixed or determinable payments that are not quoted in an active market. It is included in current assets and is carried at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial liabilities

Financial liabilities are classified as "other financial liabilities" and comprise of other payables and accruals. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(h) Taxation

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

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Taxation (continued)

Deferred tax

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(i) Provisions

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

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of each reporting period. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

(j) Expense recognition

All expenses are recognised in profit or loss on accrual basis.

(k) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Revenue recognition

Revenue is recognised on accrual basis.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

5. TAXATION

The Company under current laws and regulations is subject to income tax in Mauritius on its net income at 15% (2017:15%). However, the Company is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% (2017:80%) of the Mauritius tax on its foreign source income, such that the effective rate of tax is reduced to 3%. Capital gains of the Company are exempt from tax in Mauritius.

At 31 March 2018, the Company had tax losses of **USD 120,665** (2017:USD 42,355) carried forward and therefore is not liable to income tax. The tax losses of **USD 120,655** (2017:USD 42,355) can be used to set off against future taxable profits until year ending 31 March 2023 and 2022.

Deferred tax

Deferred tax asset amounting to **USD 11,747** (2017: USD 6,353) has not been recognised as at 31 March 2018 since it is not probable that the taxable profit will be available against which the deductible temporary differences can be utilised.

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018	2017
	USD	USD
At beginning of the year/period	**100**	-
Additions during the year/period	-	100
At end of year/period	**100**	100

The investment has been acquired on 27 December 2016 and the cost approximates its fair value at 31 March 2018.

Name of investee	Place of incorporation	Type of shares	Number of shares	% holding	2018 Cost USD	2018 Fair value USD
IREF Offshore Fund 1	Mauritius	Non redeemable management shares	100	100%	**100**	**100**
					100	**100**

The rights of the non-redeemable management shares:

(i) Vote at meetings of members generally and at Class meetings of the Management shares but not on matters reserved for other classes of shareholders; and
(ii) Shall not carry any right to dividends or other distributions, except in accordance with Article 24.4 of the Constitution upon winding up of the Company.

7. PREPAYMENTS AND RECEIVABLES

	2018	2017
	USD	USD
Prepayments	**3,058**	3,396
Receivable from related party	**27,338**	235
	30,396	3,631

The amount receivable from related party is unsecured, interest free and has no fixed repayment terms.

8. STATED CAPITAL

	2018	2017
	USD	USD
Ordinary shares of USD 1 each		
At the beginning of the year/period	30,000	-
Issued during the year/ period	100,000	30,000
At end of the year/period	130,000	30,000

The shares of the Company comprise 130,000 (2017:30,000) ordinary shares of par value USD 1.00 each with one vote per share and each share shall have equal rights on distribution of income, dividends and capital.

MINIMUM CAPITAL

The Company, as a holder of a CIS Manager licence issued by the Financial Services Commission, is required under the Securities Act 2005 to maintain at all times a minimum paid up and unimpaired stated capital of at least Mauritian Rupees (MUR) 1 million or an equivalent amount.

At 31 March 2018, the Company has a shareholder's equity of USD 3,335 which is equivalent to MUR 108,932 (Rate: 32.6632, Source: https://www.oanda.com), resulting in an impaired capital.

The shareholder of the Company has committed to make additional capital injection into the Company to restore the stated capital to unimpaired.

9. ACCRUALS AND PAYABLES

	2018	2017
	USD	USD
Accruals and payables	27,975	27,855

10. RELATED PARTY DISCLOSURES

During the year, the Company transacted with the related entities. The nature, volume of transaction and the balance with the related entities are as follows:

Name of related parties	Relationship	Nature of transaction	Volume of transactions 2018 USD	2017 USD
IREF Offshore Fund I	Investee entity	Payment of expenses on behalf	27,103	235
Compensation to Key Management Personnel		Director Fees	7,000	4,920

Balances:

Name of related parties	Relationship	Nature of transaction	Receivable /(Payable) 2018 USD	2017 USD
IREF Offshore Fund I	Investee entity	Payment of expenses on behalf	27,338	235
Compensation to Key Management Personnel		Director Fees	(11,920)	(4,920)

The amounts receivable from the related party is unsecured, interest free and has no repayment terms.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's exposure to financial and market risk (including foreign currency risk, and liquidity risk), and interest rate risk arises in the normal course of its business. These risks are managed by the Company's risk management policies and practices as described below:

Foreign currency risk

The Company has no significant foreign currency risk and all of its transactions are denominated in the Company's functional currency, USD.

Liquidity risk

The Company aims to maintain sufficient cash to meet its liquidity requirements. The Company finances its working capital through funds generated from its operations.

The table below summaries the maturity profile of the Company's financial liabilities at 31 March based on contractual undiscounted payments.

	Less than 3 months	3 to 12 Months	Total
	USD	USD	USD
31 March 2018			
Accruals and payables	**27,975**	-	**27,975**
	27,975	-	**27,975**

	Less than 3 months	3 to 12 Months	Total
	USD	USD	USD
31 March 2017			
Accruals and payables	27,855	-	27,855
	27,855	-	27,855

Categories of financial instruments

	2018	2017
	USD	USD
Financial Assets		
Available-for-sale financial assets	**100**	100
Cash and cash equivalents	**814**	5,769
Receivable	**27,338**	235
	28,252	6,104
Financial Liabilities		
Accruals and payables	**27,975**	27,855

Interest rate risk

The Company did not have exposure to interest rate risk at 31 March 2018.

Except as stated elsewhere, the carrying amounts of the Company's financial instruments approximate their fair values due to the short term nature of the balances involved.

12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or have recourse to its holding company. The capital structure of the Company consists of stated capital and accumulated losses.

13. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The directors consider Indiabulls Commercial Credit Limited and Indiabulls Housing Finance Ltd, both companies incorporated in India, as the Company's holding company and ultimate holding company respectively.

14. EVENTS AFTER THE REPORTING DATE

There are no events after the reporting date which requires amendments and/or disclosures in the financial statements as at 31 March 2018.

15. COMPARATIVE FIGURES

The comparative figures cover the period from date of incorporation of 18 July 2016 to 31 March 2017. The comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes are therefore not comparable.