

JISL Overseas Limited

Financial statements

31 March 2017

JISL Overseas Limited

**Financial statements
for the year ended 31 March 2017**

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JISL Overseas Limited

Corporate data

		Date of appointment	Date of resignation
Directors:	Anil Bhavarlal Jain	16 September 2005	-
	Atul Bhavarlal Jain	14 April 1995	-
	Baboo Teeruth Rajsing		
	Ramgolam	30 August 2013	-
	Chatrasingh Joyram	19 February 2016	-
Administrator and Secretary:	CIM CORPORATE SERVICES LTD Les Cascades Building Edith Cavell Street Port Louis Mauritius		
Registered office:	C/o CIM CORPORATE SERVICES LTD Les Cascades Building Edith Cavell Street Port Louis Mauritius		
Auditors:	VBS Business Services 1 st Floor, Hennessy Court Pope Hennessy Street Port Louis Mauritius		
Banker:	SBI (Mauritius) Ltd 7 th Floor, SBI Tower Mindspace Bhumi Park, 45, Ebene Cybercity Mauritius		

JISL Overseas Limited

Commentary of the directors for the year ended 31 March 2017

The directors present their commentary together with the audited financial statements of JISL Overseas Limited (the "Company") for the year ended 31 March 2017.

Principal activity

The principal activity of the Company is that of investments holding.

Results and dividend

The results for the year are shown on page 7.

The directors do not recommend the payment of any dividend for the year under review (2016: USD Nil).

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year giving a true and fair view of the financial position, financial performance and cash flows 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 International Financial Reporting 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 in business.

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern on the year ahead.

Auditors

The auditors, VBS Business Services, have indicated their willingness to continue in office and will be automatically re-appointed.

JISL Overseas Limited

Secretary's certificate
for the year ended 31 March 2017



We certify that, to the best of our knowledge and belief, JISL Overseas Limited (the 'Company') has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended 31 March 2017.



Authorised signatory

Date: 15 MAY 2017

CIM CORPORATE SERVICES LTD

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF JISL OVERSEAS LIMITED

Report on the Audit of Financial Statements

We have audited the financial statements of JISL OVERSEAS LIMITED (the "Company"), which comprise the statement of financial position as at 31 March 2017 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, as set out on pages 7 to 24.

In our opinion, these financial statements give a true and fair view of the financial position of JISL OVERSEAS LIMITED as at 31 March 2017 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for Companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code) Code of Ethics for Professional Accountants, 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.

Other Information

The directors are responsible for the other information. The other information comprises of the Commentary of the Directors and Secretary's Certificate.

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF JISL OVERSEAS LIMITED (CONTINUED)

Report on the Audit of Financial Statements (continued)

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for Companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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 the directors.
- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF JISI OVERSEAS LIMITED (CONTINUED)

Report on the Audit of Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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.

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' 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 member for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

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

VBS Business Services
Chartered Certified Accountants

Port Louis, Mauritius

Date: 15 MAY 2017

Vijay Bhuguth, FCCA
Licensed by FRC

JISL Overseas Limited

**Statement of profit or loss and other comprehensive income
for the year ended 31 March 2017**

	Note	2017 USD	2016 USD
Revenue			
Interest receivable on loan		475,586	357,381
Bank interest income		27	41
		<u>475,613</u>	<u>357,422</u>
Expenses			
Interest expense		305,606	338,565
Audit fees		3,680	3,700
Professional fees		3,550	3,025
Licence fees		2,915	2,510
Accountancy fees		2,000	2,000
Bank charges		1,964	1,650
Secretarial fees		1,500	625
Disbursements		270	160
		<u>321,485</u>	<u>352,235</u>
Profit before tax		154,128	5,187
Income tax expense	4	-	-
Profit for the year		<u>154,128</u>	<u>5,187</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>154,128</u>	<u>5,187</u>

The notes on pages 11 to 24 form part of these financial statements.

JISL Overseas Limited

Statement of financial position as at 31 March 2017

	Notes	2017 USD	2016 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	5	63,956,409	63,956,409
Loan to related parties	6	-	8,671,000
Total non-current assets		63,956,409	72,627,409
Current assets			
Loan to related parties	6	-	1,501,916
Other receivables	7	2,386	216,830
Cash and cash equivalents		48,030	41,744
Total current assets		50,416	1,760,490
TOTAL ASSETS		64,006,825	74,387,899
EQUITY AND LIABILITIES			
Equity			
Stated capital	8	62,305,891	62,305,891
Accumulated losses		(3,568,548)	(3,722,676)
Total equity		58,737,343	58,583,215
Liabilities			
Non-current liabilities			
Redeemable preference shares	9	-	11,750,000
Bank loan	10	-	2,666,665
Loan from related party	11	5,200,000	-
Total non-current liabilities		5,200,000	14,416,665
Current liabilities			
Bank loan	10	-	1,333,335
Other payables	12	69,482	54,684
Total current liabilities		69,482	1,388,019
Total liabilities		5,269,482	15,804,684
TOTAL EQUITY AND LIABILITIES		64,006,825	74,387,899

Authorised for issue by the Board of Directors on
and signed on its behalf by:

.....
Director

15 MAY 2017

.....
Director

The notes on pages 11 to 24 form part of these financial statements.

JISL Overseas Limited

Statement of changes in equity
for the year ended 31 March 2017

	Stated capital USD	Accumulated losses USD	Total USD
At 01 April 2016	62,305,891	(3,727,863)	58,578,028
Total comprehensive income for the year	-	5,187	5,187
At 31 March 2016	62,305,891	(3,722,676)	58,583,215
Total comprehensive income for the year	-	154,128	154,128
At 31 March 2017	62,305,891	(3,568,548)	58,737,343

The notes on pages 11 to 24 form part of these financial statements.

JISL Overseas Limited

Statement of cash flows
for the year ended 31 March 2017

	2017 USD	2016 USD
Cash flows from operating activities		
Profit before tax	154,128	5,187
<i>Adjustments for:</i>		
Bank interest income	(27)	(41)
Interest receivable on loan	(475,586)	(357,381)
Interest expense	305,606	338,565
Change in other receivables	-	434,367
Change in other payables	(3,085)	1,450
Net cash (used in)/ from operating activities	(18,964)	422,147
Cash flows from investing activities		
Interest received on loan	514,051	318,916
Bank interest received	27	41
Proceeds from disposal of investments in subsidiaries	-	6,034,814
Loan granted to related party	(87,500)	(6,000,000)
Loan repaid by related parties	10,436,395	951,084
Net cash from investing activities	10,862,973	1,304,855
Cash flows from financing activities		
Loan repaid to bank	(4,000,000)	(1,333,335)
Interest paid on loan	(287,723)	(364,343)
Loan received from related party	5,200,000	-
Redemption of preference shares	(11,750,000)	-
Net cash used in financing activities	(10,837,723)	(1,697,678)
Net movement in cash and cash equivalents	6,286	29,324
Cash and cash equivalents at the beginning of the year	41,744	12,420
Cash and cash equivalents at the end of the year	48,030	41,744

The notes on pages 11 to 24 form part of these financial statements.

JISL Overseas Limited

**Notes to and forming part of the financial statements
for the year ended 31 March 2017**

1. General information

JISL Overseas Limited (the "Company") was incorporated as a private limited company in Mauritius on 09 November 1994 and holds a Category 1 Global Business Licence. The principal activity of the Company is that of investments holding. The Company's registered office is at C/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as modified by the exemption from consolidation in the Mauritius Companies Act for companies holding a Category 1 Global Business Licence and comply with the Mauritius Companies Act in so far as applicable to Category 1 Global Business Licenced Companies.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except that financial assets and financial liabilities are carried at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States Dollar (USD) which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

3. Significant accounting policies

The principal accounting policies adopted are as follows:

Revenue recognition

Revenue is recognised on the following bases:

Dividend income: when the shareholder's right to receive payment is established.

Interest income: Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

JISL Overseas Limited

**Notes to and forming part of the financial statements
for the year ended 31 March 2017**

3. Significant accounting policies (continued)

Income tax expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Expenses

All expenses are recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

Financial instruments

Financial instruments carried on the statement of financial position include loan to related parties, other receivables, cash and cash equivalents, redeemable preference shares, bank loan and other payables. The particular recognition methods are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 14.

JISL Overseas Limited

**Notes to and forming part of the financial statements
for the year ended 31 March 2017**

3. Significant accounting policies (continued)

Financial instruments (continued)

Loan to related parties

Loan to related parties are recognised at proceeds granted net of repayments and transaction costs.

Cash and cash equivalents

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

Other receivables

Other receivables are stated at cost less impairment.

Bank loan

Bank loan is recognised at proceeds received net of any repayments and transaction costs.

Other payables

Other payables are carried at nominal value.

Impairment of assets

Financial assets, other than those at fair value through profit or loss, are assessed for indications of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

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

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

JISL Overseas Limited

**Notes to and forming part of the financial statements
for the year ended 31 March 2017**

3. Significant accounting policies (continued)

Impairment of assets (continued)

With the exception of available-for-sale equity instruments, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to United States Dollar (USD) at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

Investments in subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

Consolidated financial statements

The Company owns 54.53% in Jain Europe Ltd, UK and 69.45% in Jain America Holding Inc. The Company has taken advantage of the exemption provided by the Mauritius Companies Act allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are separate financial statements which contain information about JISL Overseas Limited as an individual company and do not contain consolidated financial information as the parent of a group.

Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.

JISL Overseas Limited

**Notes to and forming part of the financial statements
for the year ended 31 March 2017**

3. Significant accounting policies (continued)

Offsetting financial instruments

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

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

Application of new and revised International Financial Reporting Standards (IFRSs)

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2016:

IFRS 7, 'Financial Instruments - Disclosures'

IFRS 7, 'Financial Instruments - Disclosures', provide specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuing involvement' and, therefore, whether the asset qualifies for derecognition. It also provides additional disclosures relating to the offsetting of financial assets and financial liabilities that only need to be included in interim reports if required by IAS 34.

Amendments to IAS 1, 'Presentation of Financial Statements'

Amendments to IAS 1, 'Presentation of Financial Statements', are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including materiality, disaggregation and subtotals, notes and other comprehensive income.

Standards issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 01 April 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out in this note.

IFRS 9 'Financial Instruments'

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income. For liabilities designated at fair value through profit or loss, IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests.

JISL Overseas Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2017

3. Significant accounting policies (continued)

Standards issued but not yet effective (continued)

IFRS 9 'Financial Instruments' (continued)

It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 01 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

Amendments to IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'

The amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after 01 January 2017, with early adoption permitted.

Amendments to IAS 7 'Disclosure Initiative'

Amendments to IAS 7 'Disclosure Initiative' require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non cash changes. The amendments are effective for annual periods beginning on or after 01 January 2017.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Income tax expense

The Company is subject to income tax in Mauritius at the rate of 15% on its chargeable income. However, the Company is entitled to a tax credit equivalent to the higher of the foreign tax suffered or a presumed foreign tax credit on its foreign source income. The presumed tax credit is 80%. No provision for income tax has been made in the financial statements as the Company has accumulated tax losses amounting to USD 460,768 as at 31 March 2017 (2016: USD 1,426,783). During the year, tax losses of USD 811,914 (2016: USD 793,541) have been written off as they were being carried forward for more than 5 years. The accumulated tax losses are available for set off against future taxable profits as follows:

	USD
Up to year ending:	436,177
31 March 2018	24,591
31 March 2019	<u>460,768</u>

Reconciliation of effective tax

	2017 USD	2016 USD
Profit before tax	154,128	5,187
Less exempt income	(27)	(41)
	<u>154,101</u>	<u>5,146</u>
Loss brought forward	(1,426,783)	(2,225,470)
Add loss expired	811,914	793,541
Loss carried forward	<u>(460,768)</u>	<u>(1,426,783)</u>

Deferred tax

The temporary difference on which a deferred tax asset has not been recognised at 31 March 2017 amounting to USD 69,115 (2016: USD 214,017) relates to accumulated tax losses.

JISL Overseas Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2017

5. Investments in subsidiaries

Investments in subsidiaries consist of unquoted shares.

			2017 USD	2016 USD	
<i>Cost:</i>					
At start of year					
Split of shares between JAH & JAF as per restructuring during the year			63,956,409	69,991,223	
Sale of investment under restructuring during the year			-	(53,760,202)	
Acquisition during the year			-	(6,034,814)	
			-	53,760,202	
At end of year			<u>63,956,409</u>	<u>63,956,409</u>	

<i>Name of investee companies</i>	<i>Type and number of shares</i>	<i>% held</i>	<i>Cost 2017 USD</i>	<i>Cost 2016 USD</i>	<i>Country of incorporation</i>
Jain America Holding Inc (JAH)	78 Class A Ordinary shares	100	453,146	453,146	USA
	9,216 Class B Ordinary shares	69.45	53,307,056	53,307,056	USA
Jain (Europe) Limited	5,995,500 Ordinary shares	54.53	10,196,207	10,196,207	United Kingdom
	Total		<u>63,956,409</u>	<u>63,956,409</u>	

The directors are of opinion that the above investments have not suffered any impairment and are fairly stated at cost.

6. Loan to related parties

	2017 USD	2016 USD
Non-current assets		
Loan to Jain Israel B.V (i)	-	2,671,000
Loan to Jain International Trading B.V (ii)	-	6,000,000
	-	<u>8,671,000</u>
Current asset		
Loan to Jain Israel B.V (i)	-	1,501,916
Total loans	-	<u>10,172,916</u>

JISL Overseas Limited

Notes to and forming part of the financial statements
for the year ended 31 March 2017

6. Loan to related parties

(i) The loan to Jain Israel B.V was unsecured, bore interest at the rate of 7% per annum and which was repayable as follows has been fully repaid by Jain Israel B.V during the year.

Date	Instalment (USD)	Date	Instalment (USD)
21 May 2016	502,916	18 February 2018	333,000
21 August 2016	333,000	21 May 2018	334,750
20 November 2016	333,000	21 August 2018	334,750
18 February 2017	333,000	20 November 2018	334,750
21 May 2017	333,000	18 February 2019	334,750
21 August 2017	333,000		
20 November 2017	333,000		

(ii) The loan to Jain International B.V was unsecured, bore interest at the rate of 5% per annum and which was repayable as follows has been fully repaid by Jain International B.V during the year.

Date	Instalment (USD)	Date	Instalment (USD)
15 September 2018	600,000	15 March 2021	600,000
15 March 2019	600,000	15 September 2021	600,000
15 September 2019	600,000	15 March 2022	600,000
15 March 2020	600,000	15 September 2022	600,000
15 September 2020	600,000	15 March 2023	600,000

7. Other receivables

	2017 USD	2016 USD
Amount due from related party	-	175,979
Interests receivable on loan	-	38,465
Prepayments	2,386	2,386
	<u>2,386</u>	<u>216,830</u>

8. Stated capital

	2017 USD	2016 USD
<i>Issued and fully paid</i>		
62,305,891 Ordinary shares of USD 1 each	<u>62,305,891</u>	<u>62,305,891</u>

9. Redeemable preference shares

	2017 USD	2016 USD
11,750,000 6% redeemable preference shares repayable after 8 years from 22 September 2009 of USD 1 each	-	11,750,000

Pursuant to the board minutes of 27 January 2017, the Company redeemed 11,750,000 6% redeemable preference shares of USD 1 each from Jain Irrigation Systems Limited for a consideration of USD 1 per share.

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10. Bank loan

	2017 USD	2016 USD
<i>Short term loan</i>		
At start of year	1,333,335	1,334,125
Reversal	-	(788)
Repayment	(1,333,335)	(1,333,335)
Reclassified from long term	-	1,333,333
At end of year	-	1,333,335
<i>Long term loan</i>		
At start of year	2,666,665	4,000,000
Repayment	(2,666,665)	-
Reclassified to short term	-	(1,333,335)
At end of year	-	2,666,665
Total loan	-	4,000,000

The above loan from Exim Bank bore interest at LIBOR plus 6% per annum and which was repayable by 30 January 2019, has been fully repaid by the Company during the year. The loan was secured by the assets of the Company. The stated capital was also pledged in respect of the bank loan.

11. Loan from related party

	2017 USD	2016 USD
At start of year	-	-
Loan received during the year	5,200,000	-
At end of year	5,200,000	-

The loan is unsecured, is repayable by 25 January 2022 and bears an interest of 7.5% per annum

12. Other payables

	2017 USD	2016 USD
Interests payable to Exim Bank	-	46,034
Interest payable to Jain International Trading B.V	63,917	-
Accruals	5,565	8,650
	69,482	54,684

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13. Related party transactions

During the year under review, the Company entered into the following related party transactions.

Name of related party	Type of relationship	Nature of transactions	2017 USD	2016 USD
<i>Transactions during the year:</i>				
		Amount granted	87,500	-
		Expenses paid on behalf of related party	-	175,479
		Amount repaid	263,479	612,000
		Interest income	219,752	344,881
		Interest received	245,717	318,916
Jain Israel B.V.	Fellow subsidiary	Loan repaid	4,172,916	951,084
		Loan repaid	6,000,000	-
		Loan granted	-	6,000,000
Jain International Trading B.V.	Fellow subsidiary	Interest received	268,334	-
		Interest income	255,834	12,500
<i>Balances outstanding as at year end :</i>				
		Amount receivable	-	175,979
		Loan receivable	-	4,172,916
Jain Israel B.V.	Fellow subsidiary	Interest receivable	-	25,965
		Loan receivable	-	6,000,000
Jain International Trading B.V.	Fellow Subsidiary	Interest receivable	-	12,500

Fees paid to key management personnel

There was no compensation of key management personnel for the year ended 31 March 2017 (2016: USD Nil)

Professional fees of USD 1,500 have been incurred by the Company for the year ended 31 March 2017 (2016: USD 1,500) in relation to directorship services rendered by the resident directors. However, these fees are not paid to individual director but to the Company's administrator.

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14. Financial instruments and associated risks

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of Directors has the overall responsibility for the determination of the Company's risk management objectives and policies. The Company's overall risk management policies focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Company's financial performance and flexibility. The Company's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk.

The Company's financial instruments comprise of loan to related parties, other receivables, cash and cash equivalents, redeemable preference shares, bank loan, and other payables.

The Company did not hold any derivative instruments during the year ended 31 March 2017.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or are repriced at different times or in different amounts. In the case of floating rate assets and liabilities the Company is also exposed to basis risk, which is the difference in repricing characteristics of the various floating rate indices, such as the base lending rate and different types of interest.

At the reporting date, the interest rate profile of the Company's interest-earning and interest bearing financial instruments were:

	2017 USD	2016 USD
Variable rate instruments		
<i>Financial assets</i>		
Cash and cash equivalents	48,030	41,744
<i>Financial liability</i>		
Bank loan	-	(4,000,000)
Fixed rate instruments		
<i>Financial assets</i>		
Loan to related parties	-	10,172,916
<i>Financial liabilities</i>		
Loan from related parties	(5,200,000)	-

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14. Financial instruments and associated risks (continued)

Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis

The following table indicates the approximate change in the Company's post-tax profit and equity in response to reasonable possible changes in the interest rates to which the Company has significant exposure at the reporting date.

	Increase/ (decrease) in interest rates	Effect on post tax profit and equity	
		2017	2016
		USD	USD
Increase in interest rate	+0.1%	48	(3,839)
Decrease in interest rate	-0.1%	(48)	3,839

Currency risk

The Company's significant financial assets and liabilities are denominated in its functional currency, the United States Dollar ("USD"). Consequently, the Company is not exposed to such risk.

Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company.

The Company's credit risk arises from loan to related parties, other receivables, and cash and cash equivalents. The Company's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties having a good credit rating and management does not expect counterparties to fail to meet their obligations. The Company's policy is to maintain its cash balances with a reputed banking institution and to monitor the placement of cash balances on an ongoing basis.

The Company also limits its credit risk by carrying out transactions with its related parties.

At the reporting date, the Company's exposure to credit risk was as follows:

	2017 USD	2016 USD
Loan to related parties	-	10,172,916
Other receivables	-	214,444
Cash and cash equivalents	48,030	41,744
	<u>48,030</u>	<u>10,429,104</u>

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

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14. Financial instruments and associated risks (continued)

Liquidity risk (continued)

The following are the contractual maturities of financial liabilities:

31 March 2017	Less than 1 year USD	More than 1 year USD	Total USD
Financial liabilities			
Bank loan	-	5,200,000	5,200,000
Other payables	69,482	-	69,482
Total financial liabilities	69,482	5,200,000	5,269,482
31 March 2016			
Financial liabilities			
Redeemable preference shares	-	11,750,000	11,750,000
Bank loan	1,333,335	2,666,665	4,000,000
Other payables	54,684	-	54,684
Total financial liabilities	1,388,019	14,416,665	15,804,684

Fair values

The table included below analyses financial instruments measured at fair value by the level in the fair value hierarchy into which fair value is categorised.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Assets and liabilities not carried at fair values but which fair value is disclosed below:

31 March 2017	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets				
Cash and cash equivalents	-	-	48,030	48,030
Financial liabilities				
Bank loan	-	-	5,200,000	5,200,000
Other payables	-	-	69,482	69,482
Total financial liabilities	-	-	5,269,482	5,269,482

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Notes to and forming part of the financial statements
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14. Financial instruments and associated risks (continued)**Fair values (continued)**

31 March 2016	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<i>Financial assets</i>				
Loan to related party	-	-	10,172,916	10,172,916
Other receivables	-	-	214,444	214,444
Cash and cash equivalents	-	-	41,744	41,744
<i>Total financial assets</i>	-	-	10,429,104	10,429,104
<i>Financial liabilities</i>				
Redeemable preference shares	-	-	11,750,000	11,750,000
Bank loan	-	-	4,000,000	4,000,000
Other payables	-	-	54,684	54,684
<i>Total financial liabilities</i>	-	-	15,804,684	15,804,684

The assets and liabilities included in the above table are carried at cost, their carrying values are a reasonable approximation of fair values.

15. Capital risk management

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

16. Holding and ultimate holding company

The directors regard Jain Irrigation System Limited, a company incorporated in India, as the Company's immediate and ultimate holding company.

17. Events after the reporting date

There have been no material events after the reporting date which would require disclosure or adjustments to the financial statements for the year ended 31 March 2017.