

JISL Overseas Limited

Financial statements

31 March 2018

JISL Overseas Limited

Financial statements

for the year ended 31 March 2018

<i>Contents</i>	<i>Pages</i>
Corporate data	1
Commentary of the directors	2
Secretary's certificate	3
Independent auditors' report	4 - 6
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to and forming part of the financial statements	11 - 23

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 (reappointed)	30 August 2013 26 April 2018	15 May 2017 -
	Chatrasingh Joyram	19 February 2016	09 April 2018
	Shabniz Panawoolla	15 May 2017	09 April 2018
	Tinesh Sharma Ramprusad	26 April 2018	-

Administrator and Secretary:

With effect from 26 April 2018
Osiris Corporate Solutions (Mauritius) Limited
Chemin Vingt Pieds
5th Floor La Croisette
Grand Baie
Mauritius

Up to 25 April 2018
SGG Corporate Services Ltd
(previously known as CIM CORPORATE SERVICES)
33, Edith Cavell Street
Port Louis
Mauritius

Registered office:

With effect from 26 April 2018
C/o Osiris Corporate Solutions (Mauritius) Limited
Chemin Vingt Pieds
5th Floor La Croisette
Grand Baie
Mauritius

Up to 25 April 2018
C/o SGG Corporate Services Ltd
33, Edith Cavell Street
Port Louis
Mauritius

Auditors:

VBS Business Services
1st Floor, Hennessy Court
Pope Hennessy Street
Port Louis
Mauritius

Banker:

SBI (Mauritius) Ltd
7th Floor, SBI Tower Mindspace
Bhumi Park, 45, Ebene Cybercity
Mauritius

JISL Overseas Limited

Commentary of the directors

for the year ended 31 March 2018

The directors present their commentary together with the audited financial statements of JISL Overseas Limited (the “Company”) for the year ended 31 March 2018.

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 (2017: 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 in the year ahead.

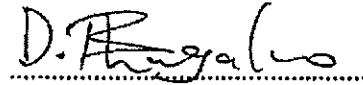
Auditors

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 2018

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under Section 166 (d) of the Companies Act for the year ended 31 March 2018.



.....
for Osiris Corporate Solutions (Mauritius) Limited
Secretary

Registered Office:

Chemin Vingt Pieds
5th Floor La Croisette
Grand Baie
Mauritius

Date: 17 May 2018



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 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, as set out on pages 7 to 23.

In our opinion, these financial statements give a true and fair view of the financial position of JISL OVERSEAS LIMITED 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 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.

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 JISL 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: **17 MAY 2018**


Vijay Bhuguth, FCCA
Licensed by FRC

JISL Overseas Limited

Statement of profit or loss and other comprehensive income for the year ended 31 March 2018

	Note	2018 USD	2017 USD
Revenue			
Interest income on loan		-	475,586
Bank interest income		40	27
		<u>40</u>	<u>475,613</u>
Expenses			
Interest expense		395,417	305,606
Professional fees		3,600	3,550
Audit fees		3,450	3,680
Licence fees		2,017	2,915
Accountancy fees		2,000	2,000
Secretarial fees		1,500	1,500
Bank charges		750	1,964
Disbursements		100	270
		<u>408,834</u>	<u>321,485</u>
(Loss)/ Profit before tax		(408,794)	154,128
Income tax expense	4	-	-
(Loss)/ Profit for the year		(408,794)	154,128
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(408,794)	154,128

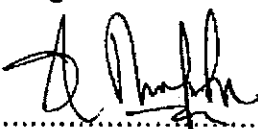
The notes on pages 11 to 23 form part of these financial statements.

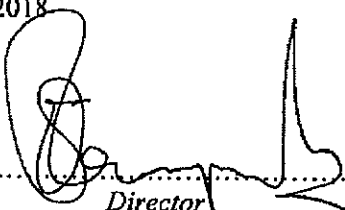
JISL Overseas Limited

**Statement of financial position
as at 31 March 2018**

	Notes	2018 USD	2017 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	5	63,956,409	63,956,409
Current assets			
Prepayments		2,394	2,386
Cash and cash equivalents		34,530	48,030
Total current assets		36,924	50,416
TOTAL ASSETS		63,993,333	64,006,825
EQUITY AND LIABILITIES			
Equity			
Stated capital	6	62,305,891	62,305,891
Accumulated losses		(3,977,342)	(3,568,548)
Total equity		58,328,549	58,737,343
Liabilities			
Non-current liability			
Loan from related party	7	5,200,000	5,200,000
Current liability			
Other payables	8	464,784	69,482
Total liabilities		5,664,784	5,269,482
TOTAL EQUITY AND LIABILITIES		63,993,333	64,006,825

Authorised for issue by the Board of Directors on 17 May 2018
and signed on its behalf by:


.....
Director


.....
Director

The notes on pages 11 to 23 form part of these financial statements.

JISL Overseas Limited

Statement of changes in equity *for the year ended 31 March 2018*

	Stated capital USD	Accumulated losses USD	Total USD
At 01 April 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
Total comprehensive income for the year	-	(408,794)	(408,794)
	-----	-----	-----
At 31 March 2018	62,305,891	(3,977,342)	58,328,549
	=====	=====	=====

The notes on pages 11 to 23 form part of these financial statements.

JISL Overseas Limited

Statement of cash flows

for the year ended 31 March 2018

	2018	2017
	USD	USD
Cash flows from operating activities		
(Loss) /Profit before tax	(408,794)	154,128
<i>Adjustments for:</i>		
Bank interest income	(40)	(27)
Interest receivable on loan	-	(475,586)
Interest expense	395,417	305,606
Change in prepayments	(8)	-
Change in accruals	(115)	(3,085)
Net cash used in operating activities	(13,540)	(18,964)
Cash flows from investing activities		
Interest received on loan	-	514,051
Bank interest received	40	27
Loan granted to related party	-	(87,500)
Loan and amount refunded by related parties	-	10,436,395
Net cash from investing activities	40	10,862,973
Cash flows from financing activities		
Loan repaid to bank	-	(4,000,000)
Interest paid on loan	-	(287,723)
Loan received from related party	-	5,200,000
Redemption of preference shares	-	(11,750,000)
Net cash used in financing activities	-	(10,837,723)
Net movement in cash and cash equivalents	(13,500)	6,286
Cash and cash equivalents at the beginning of the year	48,030	41,744
Cash and cash equivalents at the end of the year	34,530	48,030

The notes on pages 11 to 23 form part of these financial statements.

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

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 Osiris Corporate Solutions (Mauritius) Limited, Chemin Vingt Pieds, 5th Floor La Croisette, Grand Baie, 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 2001 in so far as applicable to Category 1 Global Business Licensed 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:

(a) 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 2018*

3. Significant accounting policies (continued)

(b) 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.

(c) Expenses

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

(d) Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, loan from related party 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 11.

JISL Overseas Limited

Notes to and forming part of the financial statements *for the year ended 31 March 2018*

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

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.

Loan from related party

Loan from related party is recognised at proceeds received net of any repayments and transaction costs.

Other payables

Other payables are carried at nominal value.

(e) 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.

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.

JISL Overseas Limited

Notes to and forming part of the financial statements *for the year ended 31 March 2018*

3. Significant accounting policies (continued)

(f) 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.

(g) 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.

(h) 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.

(i) 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.

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.

(j) 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.

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

3. Significant accounting policies (continued)

New standards, amendments and interpretations adopted by the Company

The following standards have been adopted by the Company for the first time for the year beginning on 01 April 2017:

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.

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.

(1) 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 2017, 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.

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.

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

3. Significant accounting policies (continued)

(1) Standards issued but not yet effective (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the interpretation Or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The interpretation is effective for annual periods beginning on or after 01 January 2018. Early application of interpretation is permitted and must be disclosed.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 01 January 2019, but certain transition reliefs are available. The Company will apply interpretation from its effective date.

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 982,886 as at 31 March 2018 (2017: USD 460,768). During the year, tax losses of USD 436,177 (2017: USD 811,914) have been lapsed 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 shown in the next page:

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

4. Income tax expense (continued)

Up to years ending:	USD
31 March 2019	24,591
31 March 2023	408,834
	<u>433,425</u>

Reconciliation of effective tax

	2018 USD	2017 USD
(Loss)/ Profit before tax	(408,794)	154,128
Less exempt income	(40)	(27)
	<u>(408,834)</u>	<u>154,101</u>
Loss brought forward	(460,768)	(1,426,783)
Add loss expired	436,177	811,914
	<u>(433,425)</u>	<u>(460,768)</u>

Deferred tax

The temporary difference on which a deferred tax asset has not been recognised at 31 March 2018 amounting to USD 65,014 (2017: USD 69,115) relates to accumulated tax losses.

5. Investments in subsidiaries

Investments in subsidiaries consist of unquoted shares.

			2018 USD	2017 USD
<i>Cost:</i>				
At start/ 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 USD</i>	<i>Country of incorporation</i>
Jain America Holding Inc (JAH)	78 Class A Ordinary shares	100	453,146	USA
	9,216 Class B Ordinary shares	69.27	53,307,056	USA
Jain (Europe) Limited	5,995,500 Ordinary shares	54.53	10,196,207	UK
	Total		<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.

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

6. Stated capital

	2018	2017
	USD	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>

7. Loan from related party

	2018	2017
	USD	USD
At start of year	5,200,000	-
Loan received during the year	-	5,200,000
	<u>5,200,000</u>	<u>5,200,000</u>
At end of year (Note 10)	<u>5,200,000</u>	<u>5,200,000</u>

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

8. Other payables

	2018	2017
	USD	USD
Interest payable to Jain International Trading B.V	459,334	63,917
Accruals	5,450	5,565
	<u>464,784</u>	<u>69,482</u>

9. Bank Loan

	2018	2017
	USD	USD
<i>Short term loan</i>		
At start of year	-	1,333,335
Repayment	-	(1,333,335)
	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>
<i>Long term loan</i>		
At start of year	-	2,666,665
Repayment	-	(2,666,665)
	<u>-</u>	<u>-</u>
At end of year	<u>-</u>	<u>-</u>
Total loan	<u>-</u>	<u>-</u>

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

10. 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	2018 USD	2017 USD
Transactions during the year:				
Jain Israel B.V.	Fellow subsidiary	Amount granted	-	(87,500)
		Amount repaid	-	263,479
		Interest income	-	219,752
		Interest received	-	(245,717)
		Loan refunded	-	4,172,916
Jain International Trading B.V.	Fellow susidiary	Loan refunded	-	6,000,000
		Interest received	-	268,334
		Interest income	-	255,834
		Interest expenses	395,417	63,917
Balances outstanding as at year end :				
Jain International Trading B.V	Fellow subsidiary	Interest payable	459,334	63,917
		Loan payable	5,200,000	5,200,000

Fees paid to key management personnel

There was no compensation of key management personnel for the year ended 31 March 2018 (2017: USD Nil).

Professional fees of USD 1,500 have been incurred by the Company for the year ended 31 March 2018 (2017: 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.

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

11. 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 cash and cash equivalents, loan from related party and other payables.

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

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. 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:

	2018 USD	2017 USD
Variable rate instruments		
<i>Financial assets</i>		
Cash and cash equivalents	34,530	48,030
Fixed rate instruments		
<i>Financial liabilities</i>		
Loan from related party	(5,200,000)	(5,200,000)

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

11. 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	
		2018 USD	2017 USD
Increase in interest rate	+0.1%	35	48
Decrease in interest rate	-0.1%	(35)	(48)

Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instrument will fluctuate because of changes in foreign exchange rate. 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 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.

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

	2018 USD	2017 USD
Cash and cash equivalents	34,530	48,030

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

11. Financial instruments and associated risks (continued)

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.

The following are the contractual maturities of financial liabilities:

31 March 2018	Less than 12 months USD	1-2 years USD	2-5 years USD	More than 5 years USD
Financial liabilities				
Loan from related party	-	-	5,200,000	5,200,000
Other payables	464,784	-	-	464,784
Total financial liabilities	464,784	-	5,200,000	5,664,784
31 March 2017				
<i>Financial liabilities</i>				
Loan from related party	-	-	5,200,000	5,200,000
Other payables	69,482	-	-	69,482
<i>Total financial liabilities</i>	<i>69,482</i>	<i>-</i>	<i>5,200,000</i>	<i>5,269,482</i>

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	34,530	-	-	34,530
Financial liabilities				
Bank loan	-	-	5,200,000	5,200,000
Other payables	-	-	464,784	464,784
Total financial liabilities	-	-	5,664,784	5,664,784

JISL Overseas Limited

Notes to and forming part of the financial statements for the year ended 31 March 2018

11. 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>				
Cash and cash equivalents	48,030	-	-	48,030
<i>Financial liabilities</i>				
Bank loan	-	-	5,200,000	5,200,000
Other payables	-	-	69,482	69,482
<i>Total financial liabilities</i>	-	-	5,269,482	5,269,482

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

The management assessed that the fair value of the Company's financial assets and liabilities comprising of cash and cash equivalents, loan from related party and other payables approximate their carrying amount.

12. 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.

13. 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.

14. 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 2018.