INDIABULLS ASSET MANAGEMENT MAURITIUS

SPECIAL PURPOSE FINANCIAL INFORMATION

FOR THE YEAR ENDED

31 March, 2019

Deloitte.

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

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

Report on the audit of the special purpose financial information

Opinion

We have audited the special purpose financial information of Indiabulls Asset Management Mauritius (the "Company") which comprise the special purpose balance sheet as at 31 March 2019, and the special purpose statement of profit and loss, special purpose statement of cash flow and special purpose statement of changes in equity for the year then ended, and notes to the special purpose financial information, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial information are prepared in all material respects in accordance with the basis of preparation, as described in note 2.1a to the special purpose financial information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the special purpose financial information section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

(a) Basis of Preparation and Restriction on Distribution and Use

We draw attention to note 2.1a to the special purpose financial information, which describes the basis of preparation. The special purpose financial information are prepared solely for inclusion in the Consolidated Financial Statements of Indiabulls Housing Finance Limited (IHFL), the ultimate holding company. As a result, the special purpose financial information may not be suitable for another purpose. Our report is intended solely for the Company and IHFL and should not be distributed to or used by parties other than the Company or IHFL. Our opinion is not modified in respect of this matter.

(b) First-time adoption of Indian Accounting Standards (Ind AS)

We draw attention to note 4 to the special purpose financial information, which states that the entity has adopted Ind AS effective 1 April 2018. The accounting policies set out in Note 2 have been applied in preparing the financial information for the year ended 31 March 2019 and the comparative information presented for the year ended 31 March 2018. There is no difference between financial results of the entity as previously reported under the previous GAAP (Indian GAAP) and Ind AS for the year ended 31 March 2018. Further there are no adjustments arising out of Ind AS adoption on the total equity reported as on 1 April 2017 under the previous GAAP and Ind AS. Our opinion is not modified in respect of this matter.

Responsibilities of directors for the special purpose financial information

The directors are responsible for the preparation of the special purpose financial information in accordance with the basis of preparation set out in note 2.1a of the special purpose financial information and they are also responsible for such internal control as the directors determine is necessary to enable the preparation of special purpose financial information that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial information, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

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Independent auditor's report to the Board of Directors of Indiabulls Asset Management Mauritius (Cont'd)

Auditor's responsibilities for the audit of the special purpose financial information

Our objectives are to obtain reasonable assurance about whether the special purpose financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial information.

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 special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the special purpose financial information, including the disclosures, and whether the special purpose financial information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the Company's Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Company's Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte	R. Srinivasa Sa
Deloitte	**R. Srinivasa Sankar, FCA**
Chartered Accountants	**Licensed by FRC**
19 April 2019	

Indiabulls Asset Management Mauritius
Special Purpose Balance Sheet as at 31 March, 2019
(Amount in USD)

	Notes	31 March, 2019	31 March, 2018	1 April, 2017
ASSETS				
Non-current assets				
Financial Assets				
Non-current investments	5	100	100	100
Total Non-current assets		100	100	100
Current assets				
Financial Assets				
Cash & Cash equivalents	6	7,617	814	5,769
Loans	7	60,254	27,338	235
Other current assets	8	8,986	3,058	3,396
Total Current assets		76,857	31,210	9,400
Total Assets		**76,957**	**31,310**	**9,500**
EQUITY AND LIABILITIES				
Equity				
Share capital	9	2,30,000	1,30,000	30,000
Other Equity				
Retained earnings	10	(1,70,413)	(1,26,665)	(48,355)
Total Equity		**59,587**	**3,335**	**(18,355)**
Liabilities				
Current Liabilities				
Financial Liabilities				
Other financial liabilities	11	17,370	27,975	27,855
Total Current Liabilities		17,370	27,975	27,855
Total Equity and Liabilities		76,957	31,310	9,500

Summary of significant accounting policies 2

Notes to accounts 1 - 18

The accompanying notes are an integral part of the Special Purpose Financial Information.

Place:

Date: 17 APR 2019

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Indiabulls Asset Management Mauritius
Special Purpose Statement of Profit and Loss for the year ended 31 March, 2019
(Amount in USD)

	Notes	1 April, 2018 to 31 March, 2019	1 April, 2017 to 31 March, 2018
Expenses:			
Other expenses	12	43,748	78,310
Total expenses		43,748	78,310
Loss before tax		(43,748)	(78,310)
Tax expense	13	-	-
Loss for the year		(43,748)	(78,310)
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		(43,748)	(78,310)
Earnings per share [Nominal value per share USD 1]:			
Weighted average number of shares for basic EPS		1,83,984	1,03,626
Weighted average number of shares for diluted EPS		1,83,984	1,03,626
Basic earnings per share (not annualised)		(0.24)	(0.76)
Diluted earnings per share (not annualised)*		(0.24)	(0.76)

* Diluted earnings per share is same as basic earnings per share, since there are no potential share.

The accompanying notes are an integral part of the Special Purpose Financial Information.

Place:
Date: 17 APR 2019

Indiabulls Asset Management Mauritius

Special Purpose Statement of changes in equity for the year ended 31 March, 2019

(Amount in USD)

(A) Share capital

	Amount
As at 1 April, 2017	30,000
Changes in share capital	100,000
As at 31 March, 2018	130,000
Changes in share capital	100,000
As at 31 March, 2019	230,000

(B) Other equity

	Retained earnings	Share Application money pending allotment	Total
Balance as at 1 April, 2017	(48,355)	-	(48,355)
(Loss) for the year April 2017 to March 2018	(78,310)	-	(78,310)
Other comprehensive income	-	-	-
Amount received during the year	-	100,000	100,000
Shares issued during the year		(100,000)	(100,000)
Balance as at 31 March, 2018	**(126,665)**	**-**	**(126,665)**
Balance as at 1 April, 2018	(126,665)	-	(126,665)
(Loss) for the year April 2018 to March 2019	(43,748)	-	(43,748)
Other comprehensive income	-	-	-
Amount received during the year	-	100,000	100,000
Shares issued during the year		(100,000)	(100,000)
Balance as at 31 March, 2019	**(170,413)**	-	**(170,413)**

The accompanying notes are an integral part of the Special Purpose Financial Information.

Indiabulls Asset Management Mauritius

Special Purpose Statement of Cash Flow for the year ended 31 March, 2019

(Amount in USD)

	1 April, 2018 to 31 March, 2019	1 April, 2017 to 31 March, 2018
Cash Flow from Operating activities		
Loss before tax	(43,748)	(78,310)
Changes in working capital		
(Decrease)/Increase in other financial liabilities	(10,605)	120
(Increase)/Decrease in other current assets	(5,928)	338
Increase in loans	(32,916)	(27,103)
Cash used in operations	(93,197)	(1,04,955)
Income tax paid	-	-
Net cash flows used in operating activities (A)	(93,197)	(1,04,955)
Cash flow from Financing activities		
Proceeds from issuance of share capital	1,00,000	1,00,000
Net cash flow from financing activities (B)	1,00,000	1,00,000
Net increase/(decrease) in cash and cash equivalents (A+B)	6,803	(4,955)
Cash and cash equivalents at the beginning of the year	814	5,769
Cash and cash equivalents at the end of the year	7,617	814
Cash and cash equivalents comprise		
Balances with banks		
In current accounts	7,617	814
Total cash and cash equivalents at end of the year (Note 6)	7,617	814

Note :

The above Statement of Cash Flow has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flows.

The accompanying notes are an integral part of the Special Purpose Financial Information.

Place:

Date: 17 APR 2019

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1 Corporate Information/Background

Indiabulls Asset Management Mauritius (the "Company") is a private company, limited by shares incorporated in the Republic of Mauritius on the 18 July, 2016. It holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission. The registered office and principal place of activity of the Company is at C/o JTC [formerly Minerva Fiduciary Services (Mauritius) Limited], Suite 2004, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius. The main activity of the Company is investment holding that will focus on investments in India.

The Special Purpose financial Information ("financial information") are presented in United States Dollar ("USD") which is the Company's functional currency. These financial information were authorised for issue by the Board of Directors on 17 April, 2019.

2 Summary of significant accounting policies

2.1 Basis of Preparation of Financial information

a Statement of Compliance with Ind AS

These financial information have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act").

The financial information up to year ended 31 March, 2018 were prepared in accordance with the accounting standards notified under the section 133 of the Act.

The financial information for the year ended 31 March, 2019 were the first set of financial information prepared in accordance with the recognition and measurement principles of Ind AS.

These financial Information are prepared solely for inclusion in the Consolidated Financial Statements of Indiabulls Housing Finance Limited (Ultimate Holding Company or Group).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Indian Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b Basis of measurement

The financial information have been prepared on a historical cost convention on accrual basis, except for certain financial assets and liabilities that is measured at fair value.

c Consolidated financial information

The Company owns 100% of the management shares of IREF Offshore Fund 1 and as per the provisions of Ind AS 110 Consolidated Financial Statements, it has been assessed that the Company is not a principal in IREF Offshore Fund 1 and its Special purpose financial information should thus not be consolidated with that of IREF Offshore Fund 1. Hence, these shares are disclosed under the head "Non-Current Investments" and measured at fair value through profit or loss.

d Use of estimates and presentation

The preparation and presentation of financial information in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the period and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial information are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial information. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the period in which the estimates are revised and in any future years affected.

2.2 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. All exchange differences arising on reporting on foreign currency monetary items at rates different from those at which they were initially recorded are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency are stated at the rates prevailing on the date of the transactions / exchange rate at which transaction is actually effected.

2 Summary of significant accounting policies (Continued)

2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or

► In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

Debt instruments:

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL):

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments:

All equity investments are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value (currently no such choice is made). The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from Other Comprehensive Income to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

2 Summary of significant accounting policies (Continued)

2.4 Financial instruments (Continued)

(a) Financial assets (Continued)

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses(ECL) associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss (FVTPL) and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss(FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial liabilities at amortized cost

After initial recognition, liabilities which are not measured at FVTPL are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

2.5 Revenue recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sale of services is recognized when all the following conditions have been satisfied:

(a) The amount of revenue can be measured reliably;

(b) It is probable that the economic benefits associated with the transaction will flow to the entity;

(c) The stage of completion of the transaction at the end of the reporting period can be measured reliably; and

(d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest Income:

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.6 Cash and cash equivalents

Cash and cash equivalents include balances with bank on current accounts.

2 Summary of significant accounting policies (Continued)

2.7 Income taxes

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

Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax:

Deferred income tax is provided, using the balance sheet approach, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial information. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Contingent Liability, Provisions and Contingent Asset

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.9 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

3 Standard issued but not effective

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

4 First-time adoption of Ind-AS

The entity has adopted Ind AS effective 1 April, 2018.

The accounting policies set out in Note 2 have been applied in preparing the financial information for the year ended 31 March, 2019 and the comparative information presented in these financial information for the year ended 31 March, 2018. There is no difference between financial results of the entity as previously reported under previous GAAP (Indian GAAP) and Ind AS for the year ended 31 March, 2018. Further there are no adjustments arising out of Ind AS adoption on the total equity reported as on 1 April, 2017 under the previous GAAP and Ind AS.

		31 March, 2019	31 March, 2018	1 April, 2017
5	Non-current investments			
	Investments measured at FVTPL			
	IREF Offshore Fund 1[% holding: 100%; Face value : USD 1; Number of Shares: 100]	100	100	100
	Total	100	100	100

		31 March, 2019	31 March, 2018	1 April, 2017
6	Cash & Cash equivalents			
	Balances with a bank			
	In current account	7,617	814	5,769
	Total	7,617	814	5,769

		31 March, 2019	31 March, 2018	1 April, 2017
7	Loans			
	Loans and advances to related party (Interest free, unsecured and repayable on demand)			
	IREF Offshore Fund 1	60,254	27,338	235
	Total	60,254	27,338	235

		31 March, 2019	31 March, 2018	1 April, 2017
8	Other Current Assets			
	Prepayments	8,986	3,058	3,396
	Total	8,986	3,058	3,396

		31 March, 2019	31 March, 2018	1 April, 2017
9	Share capital			

The Company has only one class of share capital having a par value of USD 1 per share, referred to herein as Ordinary shares.

	31 March, 2019	31 March, 2018	1 April, 2017
Issued, subscribed and paid up			
230,000 Ordinary shares @ USD 1.00	230,000	130,000	30,000
Total	230,000	130,000	30,000

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

	31 March, 2019		31 March, 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	130,000	130,000	30,000	30,000
Add: Issued during the year	100,000	100,000	100,000	100,000
Outstanding at the end of the year	230,000	230,000	130,000	130,000

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of Ordinary shares having par value of USD 1 per share. Each shareholder is entitled to one vote per share held. The Company declares and pays dividends in USD.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Ordinary shares held by the shareholders.

	31 March, 2019	31 March, 2018	1 April, 2017
(c) Shares held by holding company			
Indiabulls Commercial Credit Limited, the holding company			
Ordinary shares of USD 1 each fully paid	230,000	130,000	30,000

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March, 2019		31 March, 2018	
Name of the shareholder	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Indiabulls Commercial Credit Limited	230,000	100%	130,000	100%

	1 April, 2017	
Name of the shareholder	Number of shares	% of holding in the class
Indiabulls Commercial Credit Limited	30,000	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

		31 March, 2019	31 March, 2018
10	Retained earnings		
	Loss in the Statement of Profit and Loss		
	Opening balance	(126,665)	(48,355)
	Add: Net Loss for the year	(43,748)	(78,310)
	Closing balance	(170,413)	(126,665)

		31 March, 2019	31 March, 2018	1 April, 2017
11	Other financial liabilities			
	Accruals	17,370	27,975	27,855
	Total	17,370	27,975	27,855

		1 April, 2018 to 31 March, 2019	1 April, 2017 to 31 March, 2018
12	**Other Expenses**		
	Insurance	4,506	4,858
	Registered office and secretarial services	2,550	4,434
	Accounting fees	2,750	6,167
	Professional fees	3,040	37,253
	Directors fees	7,032	7,000
	Audit fees	18,811	13,900
	License and ROC fees	4,274	4,091
	Miscellaneous Expenses	785	607
	Total Other expenses	43,748	78,310

13 **Taxation**

The Company under current laws and regulations is subject to income tax in Mauritius on its net income.

The Company is not liable to pay current tax for the quarter and year ended 31 March, 2019 (31 March, 2018: Nil) in view of the loss incurred and the brought forward losses available.

Temporary differences and deferred tax assets is summarised below:

	1 April, 2018 to 31 March, 2019	1 April, 2017 to 31 March, 2018
Carry forward business losses:		
Brought forward from last year	(120,665)	(42,355)
Loss for the year	(43,748)	(78,310)
Total	**(164,413)**	**(120,665)**
Effective income tax rate applicable	**15%**	**15%**
Deferred tax assets *	**(24,662)**	**(18,100)**

* Deferred tax asset has not been recognised since it is not probable that the taxable profit will be available against which the deductible temporary differences can be utilised (i.e. there is absence of probable certainty of realisation of deferred tax assets).

		31 March, 19	31 March, 18	1 April, 2017
14	**Other matters**			
A	**Contingent Liabilities**	NIL	NIL	NIL
B	**Commitments**	NIL	NIL	NIL

C Previous year figures with regards to Statement of Profit and Loss, have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosures.

15 **Fair values of financial assets and financial liabilities**

The fair value of cash and cash equivalents, loans, other financial assets, other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

16 **Financial risk management objectives and policies**

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

(a) **Foreign currency risk**

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

(b) **Credit risk**

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The entity measures the expected credit loss of loans based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on that, loss allowance on loans is not material, hence no additional provision considered.

(c) **Interest rate risk**

The Company did not have exposure to interest rate risk. The carrying amounts of the Company's financial instruments approximate their fair values due to the short term nature of the balances involved.

The Company is not exposed to interest risk as it holds no variable interest bearing assets and liabilities.

(d) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

	31 March, 19	31 March, 18	1 April, 2017
Less than 1 year	17,370	27,975	27,855
Total	17,370	27,975	27,855

17 **Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company consists of equity (consisting of stated capital, share application monies and retained earnings).

The entire funding of the Company is from the shareholders. The Company does not have borrowings from outside sources.

No changes were made in the objectives, policies or processes for managing capital.

18 **Immediate and Ultimate Holding Companies**

Indiabulls Commercial Credit Limited and Indiabulls Housing Finance Ltd, both companies incorporated in India, is the Company's immediate holding company and ultimate holding company, respectively.