IL&FS INVESTMENT ADVISORS LLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 MARCH 2018

IL&FS INVESTMENT ADVISORS LLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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IL&FS INVESTMENT ADVISORS LLC

CORPORATE DATA

		Date of appointment	*Date of resignation*
DIRECTORS:	Rubina **Toorawa**	31 January 2006	-
	Sudesh **Basanta Lala**	31 January 2006	28 November 2017
	Manoj Yeshwant **Borkar**	31 January 2006	-
	Mohan Roy **Lawrence**	26 March 2009	-
	Sateeta **Jeewoolall**	28 November 2017	-

REGISTERED OFFICE:	IFS Court Bank Street TwentyEight Cybercity Ebène 72201 MAURITIUS
BRANCH REGISTERED OFFICES:	PO BOX 340508 AG Tower (Silver) 12F&G Jumeirah Lake Towers Dubai UNITED ARAB EMIRATES Office No 402 & 403 Level 4 Currency House, Tower No 1 Dubai International Financial Centre PO Box 482084 Dubai UNITED ARAB EMIRATES
ADMINISTRATOR AND SECRETARY:	SANNE Mauritius IFS Court Bank Street TwentyEight Cybercity Ebène 72201 MAURITIUS
AUDITORS:	KPMG KPMG Centre 31, Cybercity Ebène MAURITIUS
BANKER:	Barclays Bank Mauritius Limited 1st Floor, Barclays House 68-68A Cybercity Ebène MAURITIUS

IL&FS INVESTMENT ADVISORS LLC

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the audited financial statements of IL&FS Investment Advisors LLC (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide investment management services to IL&FS India Realty Fund LLC ("Fund I"), Tara India Fund III, LLC ("Tara III"), IL & FS India Realty Fund II LLC ("Fund II"), K2 Property Limited ("K2"), Saffron India Real Estate Fund I ("SIREF I"), Tara India Fund IV LLC ("Tara IV") and the Special Purpose Vehicles of Fund I, Fund II and Tara III. It also acts as coordinator to Yatra Capital Limited.

RESULTS

The results for the year are shown in the Statement of Profit or Loss and Other Comprehensive Income and related notes.

DIRECTORS

The present membership of the Board is set out on page 2.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which present fairly 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 applicable 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

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

AUDITORS

The auditors, **KPMG**, have indicated their willingness to continue in office until the next Annual Meeting.

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

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **IL&FS Investment Advisors LLC** under the Mauritius Companies Act 2001 during the financial year ended 31 March 2018.

....

For SANNE Mauritius
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebène 72201
Mauritius

Date: 20 APR 2018

KPMG

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IL&FS INVESTMENT ADVISORS LLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IL&FS Investment Advisors LLC (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 the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 51.

In our opinion, these financial statements have been prepared, in all material respects, in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 3 (a) to the financial statements.

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 *Code of Ethics for Professional Accountants* (IESBA Code), 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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IL&FS INVESTMENT ADVISORS LLC

Report on the Audit of the Financial Statements (continued)

Emphasis of matter - Basis of preparation

We draw attention to note 3 (a) to the financial statements, which describes the basis of accounting. These are the Company's statutory financial statements and have been prepared in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence. The applicable financial reporting framework is IFRS except for the standard applicable to Consolidated Financial Statements (IFRS 10). Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary. The other information does not include the financial statements and our auditors' report thereon.

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.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 3 (a) to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IL&FS INVESTMENT ADVISORS LLC

Report on the Audit of the Financial Statements (continued)

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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF IL&FS INVESTMENT ADVISORS LLC

Report on the Audit of the 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.

The prior year financial statements were audited by other auditors and an unmodified audit opinion was issued in their auditors' report dated 19 May 2017.

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.

KPMG

KPMG
Ebène, Mauritius

Reesan Emrith
Licensed by FRC

Date: 20 April 2018

IL&FS INVESTMENT ADVISORS LLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31 March 2018 USD	31 March 2017 USD
INCOME			
Management and advisory fees		**6,571,358**	7,895,142
Other income		**779,970**	330,876
Fee income		**35,389**	32,815
Miscellaneous income		**3,000**	183,143
		7,389,717	8,441,976
EXPENSES			
Advisory fees		**4,589,397**	5,207,002
Amortisation of intangible assets	7	**1,644,680**	2,329,537
Receivables written off		**605,038**	-
Staff costs		**533,369**	562,909
Other expenses		**290,732**	320,311
Legal and professional fees		**139,635**	270,803
Depreciation	8	**286**	25,998
Intangible assets written off	7	**-**	14,745,087
		7,803,137	23,461,647
Loss before taxation		**(413,420)**	(15,019,671)
Taxation	5	**(1,153)**	(10,456)
Loss and total comprehensive income for the year		**(414,573)**	(15,030,127)

The notes on pages 13 to 51 form an integral part of these financial statements

IL&FS INVESTMENT ADVISORS LLC

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2018

	Notes	31 March 2018 USD	31 March 2017 USD
ASSETS			
Non-current assets			
Available-for-sale investments	6	**2,004**	2,004
Intangible assets and investment in subsidiary	7	**1,226,607**	2,970,787
Property, plant and equipment	8	**692**	978
Total non-current assets		**1,229,303**	2,973,769
Current assets			
Trade and other receivables	9	**10,064,095**	9,928,817
Cash and cash equivalents	10	**7,267,310**	7,811,659
Tax asset	5	**17,483**	7,848
Total current assets		**17,348,888**	17,748,324
Total assets		**18,578,191**	20,722,093
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	11	**57,001**	57,000
Redeemable participating shares	12	**250,999**	1,000
Retained earnings		**16,387,843**	19,102,416
Total equity		**16,695,843**	19,160,416
Non-current liabilities			
Provisions	13	**177,716**	167,953
Total non-current liabilities		**177,716**	167,953
Current liabilities			
Trade and other payables	14	**1,704,632**	1,143,724
Consideration payable pursuant to Scheme	19	-	250,000
Total current liabilities		**1,704,632**	1,393,724
Total equity and liabilities		**18,578,191**	20,722,093

Approved by the Board of Directors and authorised for issue on 20 APR 2018 and signed on its behalf by:

Director

Director

The notes on pages 13 to 51 form an integral part of these financial statements.

IL&FS INVESTMENT ADVISORS LLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Stated Capital USD	Redeemable Participating Shares USD	Retained Earnings USD	Total USD
As at 1 April 2016		57,000	1,000	35,641,209	35,699,209
Loss for the year and total comprehensive income		-	-	(15,030,127)	(15,030,127)
Effect of amalgamation	19	-	-	(8,666)	(8,666)
Transaction with the owner of the Company, in its capacity as owner:					
Payment of dividend	17	-	-	(1,500,000)	(1,500,000)
As at 31 March 2017		57,000	1,000	19,102,416	19,160,416
As at 1 April 2017		**57,000**	**1,000**	**19,102,416**	**19,160,416**
Loss for the year and total comprehensive income		-	-	**(414,573)**	**(414,573)**
Transaction with the owner of the Company, in its capacity as owner:					
Issue of shares	**19**	**1**	**249,999**	-	**250,000**
Payment of dividend	**17**	-	-	**(2,300,000)**	**(2,300,000)**
At 31 March 2018		**57,001**	**250,999**	**16,387,843**	**16,695,843**

The notes on pages 13 to 51 form an integral part of these financial statements.

IL&FS INVESTMENT ADVISORS LLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	31 March 2018 USD	31 March 2017 USD
Cash flows from operating activities			
Loss before taxation		**(413,420)**	(15,019,671)
Amortisation of intangible assets	7	**1,644,680**	2,329,537
Intangible assets written off	7	**-**	14,745,087
Receivables written off		**605,038**	-
Depreciation	8	**286**	25,998
Credit balances written off		**(3,000)**	(183,143)
Profit on disposal of assets		**-**	(311,205)
Provision for staff end of service gratuity		**9,763**	(133,286)
Working capital adjustments:			
(Increase) / Decrease in trade and other receivables		**(740,316)**	105,718
Increase / (Decrease) in trade and other payables		**563,908**	(32,876)
Cash inflows from operating activities		**1,666,939**	1,526,159
Payment of tax	5	**(18,636)**	(61,620)
Tax refund	5	**7,848**	-
Payment of gratuity		**-**	(397,052)
Net cash flows generated from operating activities		**1,656,151**	1,067,487
Cash flows from investing activities			
Payment for acquisition of property, plant and equipment	8	**-**	(681)
Proceeds on disposal of property, plant and equipment		**-**	518,976
Receipt on distribution from Trust		**99,500**	500,000
Net cash generated from investing activities		**99,500**	1,018,295
Cash flows from financing activities			
Payment of dividend	17	**(2,300,000)**	(1,500,000)
Net cash used in financing activities		**(2,300,000)**	(1,500,000)
Net (decrease)/increase in cash and cash equivalents		**(544,349)**	585,782
Cash and cash equivalents at beginning of the year		**7,811,659**	7,218,619
Cash acquired on amalgamation		**-**	7,258
Cash and cash equivalents at end of the year		**7,267,310**	7,811,659

The notes on pages 13 to 51 form an integral part of these financial statements.

IL&FS INVESTMENT ADVISORS LLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL

IL&FS Investment Advisors LLC (the "Company") was incorporated in Mauritius under the Mauritius Companies Act 2001 on 31 January 2006 as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission ("FSC"). The Company is also licenced to act as CIS Manager pursuant to the Securities Act 2005. The Company has its registered office and its principal place of business at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius. The Company also has a branch office in the Dubai Multi Commodity Centre, one of the Free Trade Zones in Dubai and another one in Dubai International Financial Centre ("DIFC").

The principal activity of the Company is to provide investment management services to IL&FS India Realty Fund LLC ("Fund I"), Tara India Fund III, LLC ("Tara III"), IL & FS India Realty Fund II LLC ("Fund II"), K2 Property Limited ("K2"), Saffron India Real Estate Fund I ("SIREF I"), Tara India Fund IV LLC ("Tara IV") and the Special Purpose Vehicles of Fund I, Fund II and Tara III. In addition, it also acts as coordinator for Yatra Capital Limited ("Yatra").

The financial statements of the Company are presented in United States Dollars ("USD").

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

The Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2017. The adoption of the above mentioned had no material effect on the financial statements.

2.1 Changes in accounting policies

The Company has adopted the following new and amended IFRS.

Disclosure Initiative (Amendments to IAS 7)

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

There is no such reconciliation of liabilities whose cash flows are expected to be classified under financing activities in the statement of cash flows and there is no such restriction that will affect the decisions of the Company to use its cash and cash equivalents. The amendment did not result in any impact on the Company's financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

2.1 Changes in accounting policies (Continued)

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

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

The adoption the above amendments did not result in any impact on the Company's financial statements.

2.2 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2018, and have not been applied in preparing these financial statements. At the date of authorization of the financial statements for the year ended 31 March 2018, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation		Effective date
IFRS 9	Financial Instruments	Annual periods beginning on or after 1 January 2018
IFRS 15	Revenue from contracts with customers	Annual periods beginning on or after 1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Considerations	Annual periods beginning on or after 1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	Annual periods beginning on or after 1 January 2019

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

2.2 New standards and interpretations not yet adopted (Continued)

All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the Company).

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

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 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss ("FVTPL"). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income ("FVOCI"), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option ("FVO") that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income ("OCI") (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

2.2 New standards and interpretations not yet adopted (Continued)

IFRS 9 Financial Instruments (Continued)

Classification and measurement

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI, FVTPL. The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Based on its assessment, the Company does not believe that the new classification requirements will have a material impact on its accounting for the receivables that are managed on a cost basis. At 31 March 2018, the Company had equity investments classified as available-for-sale with a fair value of USD2,004 that are held for long-term strategic purposes. Under IFRS 9, the Company has designated these investments as measured at FVOCI. Consequently, all fair value gains and losses will be reported in OCI, no impairment losses will be recognised in profit or loss and no gains or losses will be reclassified to profit or loss on disposal.

All other financial assets will continue to be measured on the same bases as is currently adopted under IAS 39.

The directors are still assessing the impact of this standard on the financial statements.

Impairment

The impairment requirements are based on an expected credit loss ("ECL") model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). The directors are still assessing the impact of this standard on the impairment of trade receivables.

Disclosures

IFRS 9 will require extensive new disclosures, in particular about credit risk and ECLs. The Company's assessment included an analysis to identify data gaps against current processes and the Company is in the process of implementing the system and controls changes that it believes will be necessary to capture the required data.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

2.2 New standards and interpretations not yet adopted (Continued)

IFRS 9 Financial Instruments (Continued)

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below:

The following assessments have to be made by the Company on the basis of the facts and circumstances that exist at the date of the initial application.

- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designation and revocation of the previous designations of certain financial assets and financial liabilities as measured at FVTPL.
- The designation of certain investments in equity instruments not held for trading as at FVOCI.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS.

The directors are still assessing the impact of this standard on the financial statements.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18Transfer of Assets from Customers and SIC-31 Revenue - Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised in the financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

The directors are still assessing the impact of adopting the standard on the financial statements.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") (CONTINUED)

2.2 New standards and interpretations not yet adopted (Continued)

IFRIC 22 Foreign Currency Transactions and Advance Considerations

When foreign currency consideration is paid or received in advance of the item it relates to – which may be an asset, an expense or income – IAS 21 The Effects of Changes in Foreign Exchange Rates is not clear on how to determine the transaction date for translating the related item.

This has resulted in diversity in practice regarding the exchange rate used to translate the related item. IFRIC 22 clarifies that the transaction date is the date on which the Company initially recognises the prepayment .or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The interpretation applies for annual reporting periods beginning on or after 1 January 2018.

The Directors are in the process of assessing the impact of this standard on the Company's financial statements. No major impact is expected from the adoption of this standard.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgements made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.

It is not expected that the adoption of IFRIC 23 will have a material impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied unless otherwise stated.

(a) Basis of preparation

The Company is the holder of a Category 1 Global Business Licence and in accordance with the Fourteenth Schedule of the Mauritius Companies Act, the Company may avail of the exemption from consolidation for companies holding a Category 1 Global Business Licence as it is a wholly owned subsidiary of a company.

The basis of preparation of these financial statements complies with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board (IASB) and in compliance with the requirements of the Mauritius Companies Act. The financial statements have been prepared on a historical cost and the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

(b) Intangible assets

The intangible assets have been acquired during the business combination of 2010. They have been recognised separately from goodwill and recognised at the fair value at acquisition date (which is regarded as their cost). Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortization and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis.

Management and advisory contracts acquired by the Company are amortised on a straight line basis over the estimated useful life of such contracts as follows:

Category of Asset	**Estimated Useful Life from date of contract (in years)**
Management and advisory contracts	8 to 9 years

The intangible asset will be derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain/loss arising from the derecognition of the intangible asset will be recognised in the statement of profit or loss and other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Investments in subsidiaries

A subsidiary is an entity over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or currently convertible are considered when assessing whether the Company controls another entity.

Investment in a subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investments is assessed. Where the carrying amount of an investment is greater than its estimated 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.

(d) Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognised in statement of profit or loss and other comprehensive income as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in statement of profit or loss and other comprehensive income as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combination (continued)

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognised in statement of profit or loss and other comprehensive income.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to statement of profit or loss and other comprehensive income where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes all costs directly attributable to bringing the asset to working condition for their intended use.

Depreciation is charged so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method as follows:

Category of Asset	**Estimated Useful Life (in years)**
Freehold building	15
Motor vehicles	4
Furniture	3-5
Office equipment	3-5
Computer equipment	3-5
Freehold improvements	2-3

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Property, plant and equipment (continued)

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(f) Foreign currencies

(i) Functional and presentation currency

The financial statements are presented in USD which is also the currency of the primary economic environments in which the Company operates, ("functional currency"). The Dubai branch is autonomous and the functional currency is the United Arab Emirates Dirhams ("AED"). At end of each reporting period, monetary items in AED are translated into the presentation currency, USD, using a pegged exchange rate.

(ii) Transaction and balances

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Transactions during that period are retranslated at the average rate. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation

Current tax

Income tax expense comprise of current tax and deferred tax. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment for prior year taxes.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

Deferred tax (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax recognised in the statement of profit or loss and other comprehensive income except when they relate to items that are recognised in the other comprehensive income or directly related in equity.

(h) Revenue recognition

Management/advisory fees, fee income and other income are recognised on the accrual basis unless collectability is in doubt. Revenue from time and material contracts is recognised at the contractual rates. The management/advisory fees are calculated based on the terms specified in the management agreements and advisory agreements.

(i) Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income 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 that asset's net carrying amount on initial recognition.

(j) Expense recognition

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

(k) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include a management entity that provides key management personnel services to the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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 resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Financial instruments

Classification

The Company classifies its financial assets and financial liabilities into the categories below in accordance with IAS 39.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company includes in this category cash and cash equivalents and receivables and trade and other receivables.

(ii) Available-for-sale investments ("AFS")

Available for sale investments that the Company intends to hold for an indefinite period of time are classified as available-for-sale. These are included in non-current assets unless management has expressed its intention of holding the investment for less than twelve months from the reporting period, in which case they are included in current assets. Management decides the appropriate classification of its investments at the time of the purchase and re-evaluates the classification on a regular basis.

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity or (c) financial assets at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Classification (continued)

(iii) Financial liabilities

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Redeemable participating shares are redeemable at the option of the Company and are shown as equity until the obligation to redeem such shares arises, at which time they will be classified as liabilities.

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

This category includes all financial liabilities, other than those classified at fair value through profit or loss. The Company includes in this category trade and other payables.

Financial liabilities

Financial liabilities are classified as either financial liabilities at 'FVTPL' or other financial liabilities.

Other financial liabilities

This category includes all financial liabilities, other than those classified at fair value through profit or loss. The Company includes in this category trade and other payables.

Recognition

The Company recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Recognition (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or has expired.

Initial measurement

Loans and receivables and financial liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Available-for-sale investments are initially recorded at cost of acquisition which includes transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

After initial recognition, available-for-sale investments are measured at fair value. The AFS financial assets do not have a quoted market price in an active market and their fair value cannot be reliably measured and in that respect they are measured at cost less any identified impairment losses at the end of each reporting period.

Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial instruments (continued)

Fair value measurement (continued)

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 15.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(n) Impairment of assets

Non-derivative financial assets

Financial assets not classified as FVTPL, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- Indications that a debtor or issuer will enter into bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of the financial difficulties; or
- Observable data including a measurable decrease in the expected cash flows from a group of financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Impairment of assets (Continued)

Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual assets and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser that suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. As the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occuring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses in available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. The fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses are recognised in the profit or loss for an investment in an equity instrument classified as available-for sale are not reversed through profit or loss.

Non-financial assets

At each reporting, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Employee benefits

(i) Short term employee benefits

Short term employee benefits are expenses as the related party is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of a past service provided by the employee and the obligation can be estimated reliably.

(ii) Staff end-of-service benefits

Provision is made for end-of-service gratuity payable to the staff employed in Dubai at the reporting date in accordance with the local labour laws in Dubai. This is in relation to the benefits paid by the Dubai branch to its employees when the latter leave after successfully completing the stipulated years of service in the employment contract.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described in Note 3, the directors are required to exercise judgement and also to use estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ as a result of changes in these estimates.

Estimations and assumptions that have a significant effect on the amounts recognised in the financial statements include:

Impact of the application of IFRS 10

The directors have reassessed the effect of the adoption of IFRS 10 (Consolidated Financial Statements) during the year and have determined that the Company has control over Saffron Investment Trust (the "Trust"), set up in Mauritius, since the Company is the sole beneficiary of the Trust. Under IFRS 10, the Company is required to prepare consolidated financial statements. However, the Company has opted not to consolidate Saffron Investment Trust on the basis of the exemption available to Companies holding Category 1 Global Business Licence under the Mauritius Companies Act 2001.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising during the year are dependent on the functional currency selected. The currency of primary economic environment in which the Dubai branch operates, ("functional currency"), is the United Arab Emirates dirham ("AED"). The directors consider USD as the currency which represents most faithfully the economic effect of the underlying transactions, events and conditions.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Determination of functional currency (continued)

The USD is the currency in which the Company measures its performance and reports its results, as well as its prime transacting currency. It has, therefore, determined that the functional currency of the Company is USD.

Impairment of intangibles

The value in use for intangibles requires an estimation of future cash flows which involves the calculation of management and advisory fees based on a percentage of capital raised by K2 and any future Funds for which the Company would act as Investment Advisor. Considering the growing uncertainty in the new Fund raise process due to growing uncertainty in the economic environment on account of Brexit as well as other European countries thinking of moving out of Euro zone, the entire Fund raise process was likely to be extended beyond the earlier timeline.

Accordingly, pursuant to the Scheme, the Supreme Court of Mauritius has allowed to adjust an amount of USD 14,495,087 against the Company's retained earnings, out of the total value of Intangible Assets as appearing in the books of the Company on the Appointed Date. However, in accordance with requirements under IFRS, this amount has been recognised in the Company's Statement of Profit or Loss and Other Comprehensive Income.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Valuation of financial instruments

The Company's accounting policy on fair value measurement is discussed in note 3(m).

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation technique based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Valuation of financial instruments (continued)

- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets based on quoted prices or dealer price quotations. The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Useful lives of intangible assets

The useful lives of the management and advisory contracts are principally based on the Funds with finite lives the Company has acquired following the amalgamation. The Company reviews the estimated useful lives of the intangible assets at the end of each reporting period.

Useful lives of property, plant and equipment

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted on a prospective basis.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Doubtful debt provisions

Management regularly undertakes a review of the amounts of loans and receivables owed to the branch either from third parties or from related parties and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment, assumptions are made as to the level of provisioning required.

Staff end-of-service gratuity

The branch computes the provision for the liability to staff end-of-service gratuity and it was **USD177,716** as at 31 March 2018 (2017: USD167,953), assuming that all employees were to leave as of the reporting date. The management is of the opinion that no significant difference would have arisen had the liability been calculated on an actuarial basis as salary inflation and discount rates are likely to have approximately equal and opposite effects.

5. TAXATION

India

As a tax resident of Mauritius, the Company expects to obtain benefits under the double taxation treaty between India and Mauritius ("DTAA"). To obtain benefits under the double taxation tax treaty, the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certificate ("TRC") from the Mauritius Revenue Authority, renewable annually and believes such certification is determinative of its resident status for treaty purposes.

In year 2016, the governments of India and Mauritius revised the existing DTAA where certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal.

5. TAXATION (CONTINUED)

India (continued)

In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius.

Disposal of investments made by a Mauritius company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change and will continue to be exempted from capital gains tax in India.

As per the revised DTAA, interest arising in India to Mauritian residents will be subject to withholding tax in India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017.

Deferred taxation

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. No deferred tax asset / liability for the Company arose during the year.

The Company has not made any additional investment post 1 April 2017.

(i) Tax expense

	2018 USD	2017 USD
Current tax	**1,153**	10,456

(ii) Tax (asset)/liability

	2018 USD	2017 USD
Balance at beginning of the year	**(7,848)**	43,316
Refund during the year	**7,848**	-
Payment during the year	**(18,636)**	(61,620)
Charge for the year	**1,153**	10,456
Balance at end of the year	**(17,483)**	(7,848)

5. TAXATION (CONTINUED)

(iii) Tax reconciliation

	2018 USD	2017 USD
Loss before taxation	**(413,420)**	(15,019,671)
Tax rate at 15%	**(62,013)**	(2,252,951)
Unauthorised deductions	**67,780**	2,305,233
Tax credit (80%)	**(4,614)**	(41,826)
Tax expense	**1,153**	10,456

6. AVAILABLE-FOR-SALE INVESTMENTS

Name of company	Country of Incorporation	% Holding	Principal activity	2018 Cost USD	2017 Cost USD
AT COST					
IL&FS India Realty Fund LLC	Mauritius	100% of the Class C shares	Fund	**1,000**	1,000
Tara India Fund III, LLC	Mauritius	100% of the Class C and Class D shares	Fund	**2**	2
IL & FS India Realty Fund II LLC	Mauritius	100% of the Class C shares	Fund	**1,000**	1,000
Tara Feeder Fund Limited	Jersey	2 Management shares	Fund	**2**	2
				2,004	2,004

The directors are of the opinion that cost is the best estimate of the fair value of the AFS investments as at 31 March 2018. The shares are not redeemable, confers the holders voting rights in any members' meeting and shall not be entitled to distribution.

On winding up of the investee companies, the Company shall be entitled to receive its paid up capital only. The directors consider the nominal value of the shares to approximate their fair values. The Company's exposure from holding these investments is the management fee income that it has earned.

Based on the above, the Company has no control over the above investee companies.

7. INTANGIBLE ASSETS AND INVESTMENT IN SUBSIDIARY

	2018 USD	2017 USD
Management and Advisory Contracts	**1,226,607**	2,970,787

The initial amount recognised as intangibles represented the fair value of the management and advisory contracts acquired by the Company in respect of K2 and SIREF I, pursuant to the amalgamation with Saffron Capital Advisors Limited ("SCAL") and Saffron Capital Securities Limited ("SCSL") with the Company, in 2010, was USD38.7 million.

The intangible assets are amortised over the remaining estimated useful life of such contracts. The useful lives of the management and advisory contracts of K2 and SIREF I had initially been estimated at 16 years and 8 years respectively on the basis of the life of the Funds which are limited life entities but are now estimated at 8 to 9 years. The contracts will end on 31 December 2018. Accordingly, a proportion of the carrying amount of the intangible assets has been written off by USD 14,745,087 for the year ended 31 March 2017.

In March 2015, the board of Yatra, parent company of K2, had created two subsidiaries to enable the Company to raise funds for investment in the Indian real estate sector and infrastructure sector. The intent was to do the first raise for real estate investments followed by infrastructure.

Considering the growing uncertainty in the new Fund raise process due to changed economic situation on account of Brexit as well as other European countries thinking of moving out of Euro zone, the entire Fund raise process was likely to be extended beyond the earlier timeline.

Further, the Company had also acquired on 1 January 2017, intangible assets of USD 250,000 through amalgamation with IIML Advisors LLC ("IIML") based on the future advisory contracts held by IIML. The said contracts were assessed for impairment and on conservative basis, given the uncertainty surrounding the contracts, it was written off on 31 March 2017.

The remaining value of the Management and Advisory Contracts as at 31 March 2018 is **USD1,226,607** (31 March 2017: USD2,970,787).

Cost	2018 USD	2017 USD
Balance at beginning of year	**21,817,913**	36,813,000
Receipt on refund of capital contribution from Saffron Investment Trust	**(99,500)**	(500,000)
Acquired on amalgamation	**-**	250,000
Intangible assets written off	**-**	(14,745,087)
Balance at end of year	**21,718,413**	21,817,913

7. INTANGIBLE ASSETS AND INVESTMENT IN SUBSIDIARY (CONTINUED)

Amortisation	2018 USD	2017 USD
Balance at beginning of year	**18,847,126**	16,517,589
Charge for the year	**1,644,680**	2,329,537
Balance at end of year	**20,491,806**	18,847,126
Carrying amount at end of year	**1,226,607**	2,970,787

Included in the initial cost of intangible assets of USD38,700,000 was an amount of USD3,500,000 which represented the contribution that the Company made in Saffron Investment Trust (the "Trust"). The Company is the sole beneficiary of the Trust which is established in Mauritius and hence deemed to have control over the Trust. As explained in Note 3(a), the Company has availed of the exemption from consolidation in accordance with the Mauritius Companies Act.

The capital contribution is of indefinite life and is not subject to amortisation. During the year, the Company received distribution of **USD99,500** from the Trust (31 March 2017: USD500,000). The residual amount of contribution held in the Trust as at 31 March 2018 amounted to **USD500** (31 March 2017: USD100,000). The principal object of the Trust is to hold assets for the beneficiary.

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold Building	Freehold improvements	Computer Equipment	Office Equipment	Furniture	Motor Vehicles	Total
	USD	USD	USD	USD	USD	USD	USD
AT COST							
At 1 April 2016	340,617	162,272	69,160	52,735	36,267	227,516	888,567
Additions	-	-	-	681	-	-	681
Disposals	(340,617)	(162,272)	(29,493)	(32,650)	(27,215)	(151,222)	(743,469)
At 31 March 2017	-	-	39,667	20,766	9,052	76,294	145,779
At 1 April 2017	-	-	**39,667**	**20,766**	**9,052**	**76,294**	**145,779**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2018	-	-	**39,667**	**20,766**	**9,052**	**76,294**	**145,779**
DEPRECIATION							
At 1 April 2016	119,264	162,272	63,013	46,959	35,477	227,516	654,501
Charge for the year	15,427	-	4,814	5,000	757	-	25,998
Disposals	(134,691)	(162,272)	(29,138)	(31,193)	(27,182)	(151,222)	(535,698)
At 31 March 2017	-	-	38,689	20,766	9,052	76,294	144,801
At 1 April 2017	-	-	**38,689**	**20,766**	**9,052**	**76,294**	**144,801**
Charge for the year	-	-	**286**	-	-	-	**286**
Disposals	-	-	-	-	-	-	-
At 31 March 2018	-	-	**38,975**	**20,766**	**9,052**	**76,294**	**145,087**
VALUE							
At 31 March 2017	-	-	978	-	-	-	978
At 31 March 2018	-	-	692	-	-	-	692

9. (I) TRADE RECEIVABLES

	2018 USD	2017 USD
Management fees IL&FS India Realty Fund LLC	-	27,304
Management fees Tara India Fund III, LLC	**8,799,326**	7,832,483
Branch trade receivable	**1,079,764**	1,449,965
Management fees Tara India Fund IV LLC	-	152,648
	9,879,090	9,462,400

The receivable period is on average from 3 months to one year and no interest is charged on all trade receivables. The limits and scoring attributed to the above debtors are reviewed periodically.

Ageing of receivables

	2018 USD	2017 USD
0-90 days	**1,089,028**	494,972
91-120 days	**146,083**	161,086
121-180 days	**287,454**	320,522
More than 180 days	**8,356,525**	8,485,820
	9,879,090	9,462,400

The directors believe that no provision for doubtful debts is required to be made since the amounts owed to the Company are from funds under its management/advisory and is bound to be recovered since the Company has investment management agreements/advisory agreements with such entities. The Company has not recognized any allowance for doubtful debts because there has not been a significant change in the credit quality and the amounts are considered recoverable.

(II) OTHER RECEIVABLES

	2018 USD	2017 USD
Other receivables	**89,685**	341,185
Deposit / Advances of Branch	**72,544**	77,734
Prepayments	**22,776**	47,498
	185,005	466,417
Total Trade and Other Receivables	**10,064,095**	9,928,817

The other receivables are unsecured, interest free and are repayable on demand.

9. (II) OTHER RECEIVABLES (CONTINUED)

Other Receivables that are past due and provided for

	2018 USD	2017 USD
Other Receivables	**3,953**	30,882
Provision for doubtful debts	**(2,422)**	(14,331)
	1,531	16,551

A reconciliation of the movements in the doubtful debt provision account is as follows:

	2018 USD	2017 USD
Opening balance	**14,331**	18,650
Provisions made during the year	**-**	-
Provisions no longer required	**(11,909)**	(4,319)
Closing balance	**2,422**	14,331

An amount of USD605,038 has been written off directly from receivables.

10. CASH AND CASH EQUIVALENTS

	2018 USD	2017 USD
Cash at bank	**7,228,150**	7,756,359
Cash in hand	**39,160**	55,300
	7,267,310	7,811,659

11. STATED CAPITAL

	2018 USD	2017 USD
Balance at beginning of the year	**57,000**	57,000
Issue during the year	**1**	-
Balance at end of the year	**57,001**	57,000

The ordinary shares provide the rights to receive distribution and payments on winding up of the Company and voting rights. Each Ordinary Share of the Company entitles the holder the right to vote on any matter to be considered by the shareholders generally. All the Ordinary Shares are held by the holding company, IL&FS Investment Managers Limited, incorporated in India. The Company has issued 1 ordinary share of USD1 each to IIML on 26 April 2017 pursuant to the Scheme of Arrangement and Amalgamation between IIML Advisors LLC ("IIML") and the Company.

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12. REDEEMABLE PARTICIPATING SHARES

	2018 USD	2017 USD
100,000 redeemable participating shares of USD0.01 each	**1,000**	1,000
24,999,900 redeemable participating shares–series I of USD0.01 each issued on 26 April 2017	**249,999**	-
	250,999	1,000

The redeemable participating shares carry voting rights and are entitled to proceeds on redemption and distributions. As per the Company's Constitution, the redeemable participating shares are redeemable at the option of Company. All the redeemable participating shares are held by the holding company, IL&FS Investment Managers Limited.

The Company has issued 24,999,900 Redeemable Participating Shares Series I of USD0.01 each to IL&FS Investment Managers Limited on 26 April 2017 pursuant to the Scheme of Arrangement and Amalgamation between IIML and the Company.

13. PROVISIONS

	2018 USD	2017 USD
Non-Current Liability		
Provision for staff end of service gratuity	**177,716**	167,953

This provision is in relation to the staff end of service gratuity for the Company's branch.

14. (I) TRADE PAYABLES

	2018 USD	2017 USD
Advisory fees payable to IL&FS Investment Managers Limited	**970,000**	164,555
Advisory fees payable to IIML Asset Advisors Ltd	**182,569**	237,153
	1,152,569	401,708

The advisory fees are payable quarterly in arrears to IL&FS Investment Managers Limited and IIML Asset Advisors Limited pursuant to an Advisory Agreement and the outstanding advisory fees do not carry any interest.

14. (II)OTHER PAYABLES

	2018 USD	2017 USD
Other payables	**304,905**	331,689
Other provisions - Branch	**237,158**	388,582
Audit fees accrued	**10,000**	21,745
	552,063	742,016

The amounts due are unsecured, interest free and payable on demand.

Total Provisions, Trade and Other Payables	**1,704,632**	1,143,724

15. FINANCIAL RISK MANAGEMENT

15.1 Introduction and Overview

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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

- credit risk
- liquidity risk
- market risk

The Company's investing activities expose it to various types of risks that are associated with the financial instruments and the markets in which it invests. The Company is mainly exposed to market risk, credit risk and liquidity risk.

This note presents information about the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

15.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a policy of only dealing with credit counterparties as a means of mitigating the risk of financial loss from defaults.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.2 Credit risk (Continued)

The carrying amount of trade receivables represents the maximum credit exposure and at the end of the reporting period was as follows:

	2018	2017
	USD	USD
Trade receivables	**9,879,090**	9,462,400

The receivables consist of amounts owed to the Company from funds under its management/advisory and are bound to be recovered since the Company has investment management agreements /advisory agreements with such entities.

At the end of the year, the details of the trade receivables were as follows:

	2018	2017
Management fees Tara India Fund III LLC	**89.07%**	82.78%
Branch trade receivables	**10.93%**	15.32%
Management fees Tara India Fund IV LLC	-	1.61%
Management fees IL&FS India Realty Fund LLC	-	0.29%
	100.00%	100.00%

The credit risk on the above amounts due is limited since the amounts owed to the Company are from funds under its management/advisory and are bound to be recovered since the Company has investment management agreements/advisory agreements with the above entities. The Company does not hold any collateral over these balances.

Cash and cash equivalents are held with banks having good repute.

15.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risk that may arise.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.3 Liquidity risk (continued)

Maturity profile of financial liabilities

2018

	Up to 1 year USD	Total USD
Non- interest bearing instruments:		
Trade and other payables	**1,704,632**	**1,704,632**
	1,704,632	**1,704,632**

2017

	Up to 1 year USD	Total USD
Non- interest bearing instruments:		
Trade and other payables	1,143,724	1,143,724
	1,143,724	1,143,724

15.4 Market risk

'Market risk' is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the fair value of its holdings of financial instruments.

Foreign currency risk

The Company's financial assets and liabilities are denominated in USD and most transactions are made in USD. The Company receives management fee income from K2 Property Limited, a Euro fund in Euros on a half yearly basis in advance whilst the reporting currency of the Company is in USD. The transactions of the Dubai branch are undertaken in UAE Dirhams ("AED"). The Company is, therefore, exposed in movement of the USD/AED exchange rate.

	Financial Assets 2018 USD	**Financial Liabilities 2018 USD**	Financial Assets 2017 USD	Financial Liabilities 2017 USD
UAE Dirhams	**1,128,949**	**237,158**	1,529,791	388,582
Mauritian Rupee	**8,227**	-	11,999	-
US Dollars	**16,155,351**	**1,467,474**	16,124,170	1,005,142
Great Britain Pounds	-	-	10,910	-
Euro	**18,106**	-	18,112	-
Total	**17,310,633**	**1,704,632**	17,694,982	1,393,724

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15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.4 Market risk (continued)

Foreign currency risk (continued)

5 % Increase AED Impact 31 March 2018	5 % Decrease AED Impact 31 March 2018	5 % Increase AED Impact 31 March 2017	5 % Decrease AED Impact 31 March 2017
59,706	**(54,020)**	80,515	(72,847)
12,067	**(10,918)**	20,452	(18,504)

Directors have set up a policy to require management of foreign exchange risk against their functional currency. The Company is required to cover its entire foreign exchange risk exposure. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

Interest rate risk

The Company is not exposed to interest rate risk as the Company does not have any interest bearing financial assets or liabilities.

Price risk

The Company has invested in the management shares of Tara Feeder Fund Limited and other classes of shares in Fund I, Tara III and Fund II. The shares of the investee companies are held for strategic rather than trading purposes. Directors are of the view that the nominal amount reflects the fair value of the investments.

15.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity.

The capital structure of the Company consists of redeemable participating shares, stated capital and retained earnings.

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.5 Capital risk management (Continued)

The Company is required to maintain an unimpaired capital of MUR1 million (approximately USD30,000) in accordance with the Securities Act 2005. The unimpaired capital of the Company at the reporting date was **USD16,695,843** (31 March 2017: USD19,160,416). Hence, the Company meets the requirement as established by the Securities Act 2005 and Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

15.6 Fair values

The Company's financial assets and financial liabilities include available-for-sale investments, cash and cash equivalents, trade and other receivables, and trade and other payables. The carrying amount of these approximates their fair values.

The classification of the financial assets and liabilities per IAS 39 category are as follows:

2018

	Loans and receivables USD	Available for sale assets USD	Total USD
Financial Assets:			
Available for sale Investments	-	2,004	2,004
Cash and cash equivalents	7,267,310	-	7,267,310
Trade and other receivables	10,041,319	-	10,041,319
Total	17,308,629	2,004	17,310,633

	Other financial liabilities USD	Liabilities at Fair Value Through Profit or Loss USD	Total USD
Financial Liabilities:			
Trade and other payables	1,704,632	-	1,704,632
Total	1,704,632	-	1,704,632

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.6 Fair values (continued)

2017	Loans and receivables USD	Available for sale assets USD	Total USD
Financial Assets:			
Available for sale Investments	-	2,004	2,004
Cash and cash equivalents	7,811,659	-	7,811,659
Trade and other receivables	9,881,319	-	9,881,319
Total	17,692,978	2,004	17,694,982

	Other financial liabilities USD	Liabilities at Fair Value Through Profit or Loss USD	Total USD
Financial Liabilities:			
Trade and other payables	1,393,724	-	1,393,724
Total	1,393,724	-	1,393,724

Financial instruments measured at fair value

The table analyses financial instruments measured at fair value at the end of the reporting year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 March 2018				
Available for sale investments	-	-	**2,004**	**2,004**
31 March 2017				
Available for sale investments	-	-	**2,004**	**2,004**

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.6 Fair values (continued)

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is recognised:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
31 March 2018				
Financial assets				
Trade and other receivable	-	-	**10,041,319**	**10,041,319**
Cash and Cash equivalents	-	**7,267,310**	-	**7,267,310**
Financial liabilities				
Trade and other payables	-	-	**1,704,632**	**1,704,632**
31 March 2017				
Financial assets				
Trade and other receivables	-	-	9,881,319	9,881,319
Cash and Cash equivalents	-	7,811,659	-	7,811,659
Financial liabilities				
Trade and other payables	-	-	1,393,724	1,393,724

16. RELATED PARTY TRANSACTIONS

Name of Related Party	**Relationship**	**Nature of transaction**	**Volume of transaction 2018 USD**	Volume of Transaction 2017 USD	**Balance at 2018 USD**	Balance at 2017 USD
SANNE Mauritius	Administrator, Secretary and Directorship	Professional fees (Including director fees)	**58,957**	66,523	**(305)**	(20,943)
IL&FS Investment Managers Limited	Shareholder/ Advisor	Advisory fees, other operating expenses and dividend	**8,480,128**	7,051,786	**(1,011,442)**	(170,048)
IIML Asset Advisors Limited	Advisor	Advisory fees and other operating expenses	**709,397**	1,007,002	**(182,569)**	(237,153)
Saffron Investment Trust	Beneficiary as per Trust's deed	Receipt on distribution from Trust	**99,500**	500,000	-	-
IL&FS Energy Development Company Ltd	Fellow subsidiary	Consultancy services	-	-	-	-

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16. RELATED PARTY TRANSACTIONS (CONTINUED)

Name of Related Party	Relationship	Nature of transaction	Volume of transaction 2018 USD	Volume of Transaction 2017 USD	Balance at 2018 USD	Balance at 2017 USD
IL & FS Global Financial Service (ME) Limited	Fellow subsidiary	Other operating expenses	**32,992**	(26,201)	**33,711**	(8,086)
IL&FS Global Pte Limited	Fellow subsidiary	Consultancy services	-	160,000	-	210,000
IL & FS Milestone Realty Advisors Pvt Ltd	Joint Venture	Consultancy services	-	-	-	1,210
IL & FS Maritime International FZE	Fellow subsidiary	Consultancy services and other operating expenses	-	62,090	-	-
IL&FS Prime Terminals FZC	Fellow subsidiary	Consultancy services	-	-	**1,295**	2,413
IL&FS Investment Advisors (Branch)	Branch	Key Management Personnel *	**287,544**	275,536	**(133,126)**	(132,243)
IL&FS India Realty Fund LLC	Investment Fund	Investment Management services	**159,752**	153,763	-	27,304
IL&FS India Realty Fund LLC	Investment Fund	Other receivables	-	-	**1,209**	-
IL&FS India Realty Fund II LLC	Investment Fund	Management fees	**2,994,189**	4,080,582	-	-
IL&FS India Realty Fund II LLC	Investment Fund	Other receivables	-	-	**29,208**	108,442
Tara India Fund III, LLC	Investment Fund	Management fees	**1,716,843**	1,797,547	**8,799,326**	7,832,483
Tara India Fund III, LLC	Investment Fund	Other receivables	-	-	**13,827**	125,968
Tara India Fund IV, LLC	Investment Fund	Management fees	-	114,750	-	152,648
Tara India Fund IV, LLC	Investment Fund	Other receivables	-	-	-	106,775
Tara India Fund IV, LLC	Investment Fund	Payable	-	-	**(53,010)**	(53,010)
K2 Property Limited	Investment Fund	Management fees	**1,523,518**	727,437	-	-
Saffron India Real Estate Fund	Investment Fund	Management fees	**177,056**	206,158	-	-

16. RELATED PARTY TRANSACTIONS (CONTINUED)

	31 March 2018 USD	31 March 2017 USD
*** Compensation of key management personnel payable**		
Remuneration and benefits payable (included in accruals and other	**(681)**	(17,441)
Post-employment benefits (included in provision for staff end-of-service benefits)	**(132,445)**	(114,802)

17. DIVIDEND

During the year, the Company declared dividend of **USD0.09** (2017: USD15) per share amounting to **USD2,300,000** (2017: USD1,500,000) to its Redeemable Participating Shareholder which was paid on **14 August 2017, 27 December 2017 and 27 March 2018** (2017: 4 August 2016).

18 HOLDING COMPANY

The directors regard IL&FS Investment Managers Limited, a company incorporated and listed in India as the Company's holding company.

19 SCHEME OF ARRANGEMENT AND AMALGAMATION

On 2 March 2017, the Board had approved a Scheme of Arrangement and Amalgamation (the "Scheme") between IIML Advisors LLC ("IIML") (a company incorporated under the Mauritius Companies Act 2001 and holding a Category 1 Global Business Licence and having the same beneficial shareholder as the Company) and the Company, and their respective shareholders and creditors which provides for the transfer and vesting of the whole of the business and assets and liabilities of IIML into the Company and its dissolution without winding up under the provisions of Section 261 to 264 and any other applicable provisions, if any, of the Mauritius Companies Act, 2001 and in accordance with the Constitution of the Company and subject to requisite approval of the shareholders and the creditors of the Company, the Bankruptcy Division of the Supreme Court of Mauritius and any other authorities as may be required in law. The Company issued 1 fully paid up Ordinary Share of USD 1 each for every 1 ordinary share held by the shareholder of IIML and 1 Redeemable Participating Share-Series 1 of USD 0.01 each for every 1 Redeemable Participating Share held by the shareholder of IIML.

The Supreme Court of Mauritius has approved the Scheme on 26 April 2017. The Appointed Date as per the Scheme is 1 January 2017.

As per the Scheme, the Company took over the assets and liabilities of IIML with effect from 1 January 2017 and the intangible assets of an amount of USD14,495,087 were adjusted in accordance with the Scheme as at 31 March 2017.

19 SCHEME OF ARRANGEMENT AND AMALGAMATION (CONTINUED)

Details of assets and liabilities of IIML amalgamated at 1 January 2017 are as follows:

	USD
Non-Current assets	
Intangible Asset (based on future advisory contracts of IIML)	**250,000**
Current assets	
Prepayments	**2,226**
Cash and cash equivalent	**7,258**
Total assets	**259,484**
Current liabilities	
Accruals	**18,150**
Total liabilities	**18,150**
Consideration	
1 Ordinary shares of USD1 each	**1**
24,999,900 Redeemable Participating Shares Series I of USD0.01 each	**249,999**
	250,000
Effect of Amalgamation	**(8,666)**

The above consideration shares have been issued to IL&FS Investment Managers Limited by the Company on 26 April 2017.

20 EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2018.