

**3I INFOTECH HOLDINGS PRIVATE LIMITED**

FINANCIAL STATEMENTS FOR THE YEAR ENDED

MARCH 31, 2023

## 3I INFOTECH HOLDINGS PRIVATE LIMITED

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**3I INFOTECH HOLDINGS PRIVATE LIMITED**

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**CORPORATE INFORMATION FOR THE YEAR ENDED MARCH 31, 2023**

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|                    |                    | <b>Date of<br/>appointment</b> | <b>Date of<br/>resignation</b> |
|--------------------|--------------------|--------------------------------|--------------------------------|
| <b>DIRECTORS :</b> | M. Aslam Koomar    | November 21, 2006              | -                              |
|                    | Ashok Shah         | May 22, 2019                   | -                              |
|                    | Jagadesh Machaiah  | June 11, 2021                  | January 10, 2022               |
|                    | Harish Shenoy      | September 2, 2021              | -                              |
|                    | Seshadri S Krishna | April 20, 2022                 | -                              |

**ADMINISTRATOR  
AND SECRETARY:** International Proximity Management Services Limited  
5th Floor, Ebene Esplanade,  
24 Bank Street, Cybercity, Ebene  
REPUBLIC OF MAURITIUS

**REGISTERED OFFICE:** 5th Floor, Ebene Esplanade,  
24 Bank Street, Cybercity, Ebene  
REPUBLIC OF MAURITIUS

**AUDITOR:** D&G Associates LLP  
5th Floor, Goliva Court, St Jean Road  
Quatre Bornes, 72109  
REPUBLIC OF MAURITIUS

**BANK:** The Mauritius Commercial Bank Ltd  
P.O.Box 52  
Sir William Newton, St Port louis  
Republic of Mauritius

**DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2023**

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The directors submit herewith their report together with the separate audited financial statements of **3i Infotech Holdings Private Limited** ("the Company") for the year ended March 31, 2023.

**PRINCIPAL ACTIVITY**

The main activity of the Company is that of investment holding.

**RESULTS AND DIVIDEND**

The results for the year are shown in the statement of profit or loss and other comprehensive income set out on page 7.

The directors do not recommend the payment of dividend for the year under review (2022: Rs.Nil).

**STATUS**

The Company was incorporated in the Republic of Mauritius on November 20, 2006 under the Mauritian Companies Act 2001.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT TO THE FINANCIAL STATEMENTS**

Directors acknowledge their responsibilities for:

- (i) adequate accounting records and maintenance of effective internal control systems;
- (ii) the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards (IFRS); and
- (iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

- (i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
- (ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; and
- (iii) International Financial Reporting Standards have been adhered to.

**AUDITORS**

The auditors, D&G Associates LLP, has indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

**BY ORDER OF THE BOARD**

  
\_\_\_\_\_  
Director



Date:

## **3i Infotech Holdings Private Limited**

### **CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED 31 MARCH 2023**

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The Board ensures that the Company is in compliance with the rules of the National Code of Corporate Governance (the “Code”) as issued by National Committee on Corporate Governance on 13 February 2017 and which is effective as from reporting year ended 30 June 2018. The Company follows the guidance in the Code applicable for a Public Interest Entity (“PIE”).

#### **Principle 1: Governance structure**

3i Infotech Holdings Private Limited (the “Company”) is a private company limited by shares incorporated, as a domestic company, on 20 November 2006. The registered address of the Company is 5<sup>th</sup> Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene. The Company is wholly owned by 3i Infotech Limited (the “Holding Company”), a company listed on the National Stock Exchange of India Limited and BSE Limited and operating in the IT sector. The Company’s activity is that of investment holding. International Proximity Management Services Limited, a domestic company licensed by the Registrar of Companies (“ROC”), is the company secretary of the Company. The constitution of the Company was adopted on 19 July 2012 (the “Constitution”). The Company is categorized as a Public Interest Entity (“PIE”) since it has a total asset exceeding 500 million rupees during the two consecutive preceding years.

#### **Effective Board**

The Company is managed by its board of directors comprising of four members (the “Board”). The Board is chaired from India by the chairperson and meetings are attended by majority of the directors including a resident director of the Company. Each director is appointed with the understanding of the amount of time, care that they will need to devote to the Board and the industry knowledge required.

#### **Role of the Board**

The Board plays a central supporting and supervisory role in the Company’s corporate governance structure, provides leadership and guidance to the Company’s activities, and oversees the execution of its business strategies. Specific matters reserved for the Board’s consideration and decision are:

- Determining the investment strategies, policies and business plans and monitor their implementation;
- Setting of appropriate policies to manage risks in pursuit of the Company’s strategic objectives;
- Ensuring the integrity of the Company’s accounting and financial reporting system and compliance with the relevant laws and standards, and that appropriate internal control systems are in place, including systems for risk management, as well as financial and operational control;
- Monitoring and controlling the operations and financial performance of the Company through the determination of the annual budget;
- Ensuring timely and accurate disclosure to and communications with stakeholders; and
- monitoring of investments and managing divestments on behalf of the Company.

## **Code of Ethics**

The directors of the Company maintain the highest standards of integrity to approach and solve problems ethically.

## **Job description or Position Statement**

The directors exercise their duties to act in good faith and in the best interest of the Company in line with the Companies Act and other laws and regulations.

## **Organisation Chart**

The Company's organization chart is attached as Annexure 1 to this report.

Due to its size and nature of activities the Company does not deem it necessary to have a website. The Company follows the guidance from the website of the Holding Company (<https://www.3i-infotech.com>) which considers the Corporate Governance related policies.

## **Profile of the Directors**

### **Aslam Koomar**

M. Aslam Koomar is an Associate Director at International Proximity where he has been responsible for the Compliance and Tax departments for more than twenty-five years. He has developed in-depth knowledge of the financial services sector coupled with practical know-how on the operations, regulatory, compliance and tax aspects of global business companies. He has also developed expertise in FATCA and CRS legislation and Automatic Exchange of Information ("AEOI"). Aslam sits on the Board of several global business companies. He is the Money Laundering Reporting Officer and Compliance Officer at International Proximity. Prior to joining International Proximity in February 1997, he worked in a medium-sized Chartered Accountant firm which had offices in London and Mauritius.

Aslam is a Fellow of the Association of Chartered Certified Accountants and a Member of the Mauritius Institute of Professional Accountants. He is a Fellow Member of the International Compliance Association (UK) and is also a Fellow Member of the Mauritius Institute of Directors. He is an Executive Committee Member of the International Fiscal Association.

### **Ashok Shah:**

Ashok Shah holds a bachelor's degree in science with a post-graduate degree in Economics. He joined the Life Insurance Corporation of India (LIC) as a direct recruit officer in 1977. In his more than three decades in the Corporation, he has served in all important positions in operations. He retired as Zonal Manager (Executive Director cadre) at Delhi and oversaw LIC's premier Zone, Northern Zone, for five years. Subsequently, he went on deputation to the National Insurance Academy, Pune, as Chair Professor. In June 2010, he subsequently joined LIMRA (Life Insurance Marketing and Research Association), a US-based entity as Director – India.

### **Harish Laxminarayan Shenoy**

Harish Laxminarayan Shenoy is the Chief Operating Officer, Professional Services and Chief Risk Officer of 3i infotech Limited. He is a performance driven Senior Executive offering 30 Years' strategic leadership in business management with operational excellence, overseeing all business functions to ensure optimal performance. He recognized as an accomplished change agent with success in transforming and improving operations through the development and implementation of process, programs and strategies. He has exposure to the best practices in operations and software deliveries for Global Bank, Insurance Companies and Corporates across the BFSI spectrum. Mr. Shenoy is an MBA from Mumbai University through Narsee Monjee Institute of Management Studies, backed with a Master's Diploma in Computer Science and Graduation in Science from Mumbai Society.

## **Seshadri S Krishna**

Seshadri Krishna joined 3i Infotech Limited as a Chief Growth Officer for Americas, Europe, Middle East, and Africa. He has over 30 years of experience in IT, BPS & Technology domains across North America, Europe, India & APAC with repeated success in Digital/ Business Transformation. His ability to combine long-range strategic planning and tactical execution to create differentiated value propositions, launch new businesses and drive exponential and sustainable growth has transformed many organizations. Seshadri S Krishna is a consummate leader, with experience in managing cross-functional teams across geographies with goal congruence and collaboration leading to scalable high margin repeat business.

As an ardent fan of Digital Transformation since the early 2000s, Seshadri Krishna often plays the role of a strategic advisor to the CXOs of client organizations. His ability to understand the inflection points of transformation across business processes leads him to design technology-enabled solutions that drive genuine business outcomes. Sax over his span of career has helped enhance Enterprise Value across HCL group, PE firms, Tech Mahindra (Satyam), Aditya Birla Minacs (ITES company of the AB Group) & ATOS. An Alumnus of BITS Pilani, Seshadri Krishna calls two Capitals – NCR, Delhi & Washington D.C. – as homes.

## **Management assessment**

The Company is compliant with Principle 1 of the Code of Corporate Governance given the nature and business activity of the Company.

## **Principle 2: The structure of the board and its committees**

### **Board Composition**

The Board is composed of directors who have gathered a wide array of knowledge and experience in different sectors. Every director is expected to positively contribute to the Board based on their professional background and expertise.

The Board considers that its current size and composition is appropriate for the type of activity in which the Company is engaged and for the effective discharge of the Board's responsibilities.

For the board meetings held during the financial year, majority of the Directors were present. It may be noted that besides the directorship held in 3i Infotech group companies, directors (except for Mr Aslam Koomar) of the Company do not hold any directorship in any other company, based in Mauritius.

Due to the nature of the activities of the Company, no sub-committees (Audit Committee, Corporate Governance Committee, Board Risk Committee, Remuneration Committee, or Nomination Committee) have been set up. The Board collectively considers the measures in respect of the Code of Corporate Governance. The Board assumes responsibility for leading and controlling the organisation, meeting all legal and regulatory requirements.

The Board currently comprises of 4 directors (resident and non-resident) who exercise independence of mind and judgement with no independent directors under this Company. The Board has appropriate balance of skills, experience, independence and knowledge of the Company which enables it to perform its respective duties and responsibilities effectively.

### **The Company Secretary**

International Proximity Management Services Limited has been appointed as the Company Secretary since incorporation of the Company in accordance with its Constitution.

The role and responsibilities of the Company Secretary are as follows:

- Provide guidance to the Board as to its duties, responsibilities and powers;
- Inform the Board of all relevant legislations pertaining to meetings of directors and shareholders, reporting at any meetings, filing of any documents required and failure to comply with such legislation;

- Ensure proper recording of minutes and resolutions including proper maintenance of the statutory registers;
- Certify in the annual financial statements that all returns as required under the Companies Act 2001 have been filed with the Registrar; and
- Filing of the financial statements with the ROC.

## **Management Assessment**

The Company is compliant with Principle 2 of the Code of Corporate Governance as it is controlled and managed by people who devote adequate time to the operational and strategic matters and assume their responsibilities in adhering to the legal and regulatory requirements, except for certain criteria as highlighted under the statement of non-compliance.

## **Principle 3: Director's appointment procedures**

### **Appointment, Election and Re-election**

The directors of the Company are appointed in line with its Constitution. As per section 5.1 of the Constitution, the directors shall have power at any time and from time to time to appoint any person to be a director to fill a casual vacancy. The board members of the Company possess relevant qualification and experience and sufficient knowledge of the financial and industry sector in general.

The following factors are considered when appointing a director:

- Skills, knowledge and expertise of the proposed director;
- Amount of time the proposed director is able to devote to the board; and
- Qualifications and experience of the proposed director.

A due diligence exercise is carried out by International Proximity Management Services Limited to determine the suitability of the proposed director based on his or her qualifications and experience and whether he or she meets the fit and proper test.

No permanent chairperson has been appointed for the Company. At each meeting, the directors appoint one among them to act as the chairperson for that specific meeting.

### **Re-election**

The directors are subject to re-election by the shareholder at the annual meeting.

### **Continuous Professional Development**

The directors are of sufficient calibre and have the necessary expertise. The Board is apprised of all the developments relating to the IT sector.

### **Planning for Succession**

Upon any change in directorship the Board assumes the responsibilities for succession planning as well as for the appointment of new directors. All directors, not limited to newly appointed directors are provided with day to day operational updates pertaining to the Company by the administrator and Company Secretary, International Proximity Management Services Private Limited, acting for and on behalf of the Company.

## **Management Assessment**

The Company is compliant with Principle 3 of the Code of Corporate Governance as the above-mentioned measures are deemed adequate given the nature and business activity of the Company.



## **Principle 4: Directors' duties, remuneration and performance**

### **Duties**

All the directors on the Board are fully apprised of their fiduciary duties as required under the Companies Act 2001 and other laws and regulations and they use care, skill and diligence while exercising the same. The Board oversees the way the Company operates and ensures that sound policies already agreed upon are followed. The Board regularly monitors and abide with the Code of Conduct of its Holding Company.

The effectiveness of Board and its directors are evaluated on a periodic basis. The Board should report in the annual report on how the performance evaluation of the Board, its committees and its individual directors has been conducted.

### **Code of Ethics**

As previously mentioned in the report, the directors of the Company maintain the highest standards of integrity to approach and solve problems ethically. In parallel, the Company has adopted the Code of Ethics of the Holding Company. Each director of the Company has provided his consent to the said Code of Ethics.

### **Allocation of Time**

Each director is appointed with due consideration to the amount of time and care that they can devote to the Board.

### **Conflict of Interest**

The directors must declare the nature of their interest(s), depending on the following circumstances:

(a) at the meeting of the directors at which the question of entering into the contract or arrangement is first taken into consideration;

(b) if the director is not at the date of the meeting interested in the proposed contract or arrangement, then at the next meeting held after he becomes interested; or

(c) in a case where the director becomes interested in a contract or arrangement after it is made, then at the first meeting of the directors held after he becomes so interested.

Directors disclose promptly any direct and indirect interest in contracts or transactions with the Company. The Company Secretary maintains an interest register, which is available for consultation to the Holding Company upon written request to the Company Secretary.

### **Supply of Information on a Timely Manner**

Notices, agenda and board papers are sent to the directors within a reasonable time frame prior to a particular meeting.

The Company Secretary has effective information, information technology and information security policies and strategies in place. The Company Secretary ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The Directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.

### **Remuneration**

Mr. Aslam Koomar, being one of the directors of the Company, is also an officer of the Company Secretary of the Company, that is International Proximity Management Services Limited. International Proximity Management

Services Limited is entitled to administration fees in respect of services rendered to the Company as per existing service agreement in place.

The remuneration policy of the directors of the Company is governed by sections 5.2 of the Constitution. Currently, no directors on the Board are entitled to a remuneration. No other remuneration has been paid to the directors in form of share options or bonuses or bonuses associated with organisational performance.

### **Management assessment**

The Company has adequate measures in place to comply with Principle 4 of the Code of Corporate Governance given its nature and business activity.

## **Principle 5: Risk Governance and Internal Control**

### **Risk Governance**

The Board is ultimately responsible for the governance of risk, the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company. Further, risks and uncertainties are managed at the level of the board of directors of the Company.

Considering the size and nature of its business activities, that is being an investment holding entity with no direct employees, the Company does not have a whistle blowing policy in place. Instead, all the Company's affairs are addressed to the Board.

The Board is responsible for the day-to-day management as well as the Company's strategic, financial, operational and compliance risk matters. Further, the Board has developed and implemented appropriate framework and effective process for the sound management of risk. The system of internal controls which are in place seem to cover all potential risk aspects. During the year under review there was no risk or deficiency in the Company's system of internal controls.

### **Management Assessment**

The Company has the requisite risk mechanisms in place which are in line with its business activity and is therefore compliant with Principle 5 of the Code of Corporate Governance, except for certain criteria as highlighted under the statement of non-compliance.

## **Principle 6: Reporting with Integrity**

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position, 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, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act 2001. The financial statements for the year ended 31 March 2022 were filed with the ROC on 23 January 2024.

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

### **Management assessment**

The Company is compliant with Principle 6 of the Code of Corporate Governance.

### **Principle 7: Audit**

The auditors of the Company are D&G Associates LLP, which have in built processes to observe the highest standards of business and professional ethics. They are responsible for reporting on whether the financial statements are fairly presented.

D&G Associates LLP was appointed as the statutory auditors for the financial year ended 31 March 2023 by way of a set of shareholder's resolutions in lieu of holding a shareholder's meeting in 27 September 2023.

The responsibility of monitoring the internal control systems in place has been kept at the Board level, given the size and complexity of the Company. As such, no internal audit function has been established.

#### **Management assessment**

The Company is compliant with Principle 7 of the Code of Corporate Governance.

### **Principle 8: Relations with Shareholders and other key Stakeholders**

3i Infotech Limited, the sole shareholder has confirmed the appointment of the existing directors and the auditors of the Company for the financial year 2021-22. Appointment of new director (s) is approved by the sole shareholder as and when there is any appointment of new director(s).

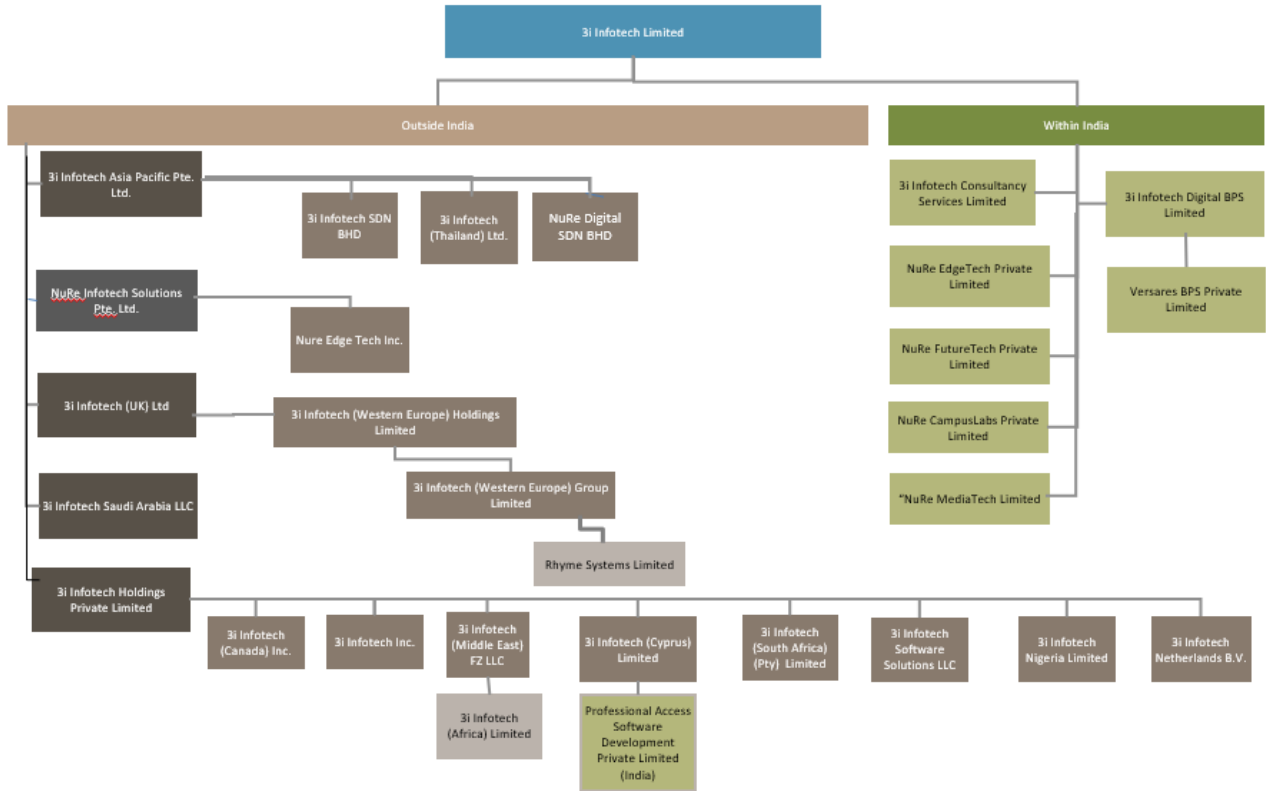
The Company will call an annual meeting from shareholder not later than 6 months after the balance sheet date of the Company. Written notice of the time and place of a meeting of member shall be sent to the member entitled to receive notice of the meeting and to every director, secretary and auditor of the Company not less than 7 days before the meeting.

#### **Management assessment**

The Company is compliant with Principle 8 of the Code of Corporate Governance.

# Annexure 1

## Corporate Structure



**STATEMENT OF COMPLIANCE UNDER SECTION 75(3) OF THE FINANCIAL REPORTING ACT 2004**

We, the Directors of 3i Infotech Holdings Private Limited confirm that to the best of our knowledge that 3i Infotech Holdings Private has compiled with all its obligations and requirements under the NCCG other than for the followings:

| <b>Principle</b> | <b>Description</b>                   | <b>Recommended (Specific) Disclosure</b>  | <b>Reasons for Non-Compliant/Proposed Action Plan</b>  |
|------------------|--------------------------------------|---|--|
| 2                | Boards and its Committees            | All organisations should have, at a minimum, an Audit Committee. If an organisation does not have an Audit Committee, it should explain its reasons.<br>Board committees should comprise only members of the Board and should regularly make formal reports to the Board. All board committees should have at least three members, and the majority should be non-executive and where possible, independent. In the case of the Audit Committee, the majority of the members should be independent. | Due to the size and nature of the activities of the Company, no sub-committees (Audit Committee, Corporate Governance Committee, Board Risk Committee, Remuneration Committee, or Nomination Committee) have been set up.<br>The Board collectively considers the measures in respect of the Code of Corporate Governance. The Board assumes responsibility for leading and controlling the organisation, meeting all legal and regulatory requirements.   |
| 5                | Risk Governance and Internal Control | The corporate governance or risk section of the annual report should include, inter alia, report on whistle-blowing rules and procedures.   | Considering the size and nature of its business activities, that is investment holding, the Company does not have a whistle blowing policy in place. There are no employees and daily operational matters for the Company. All the Company's business matters are addressed to (and handled by) the Board. The Board is responsible for the governance of risk and for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives and the Board believes it has in place the relevant structures and processes in place for identifying and managing risk. |



**Aslam Koomar**  
**Director**

Date: 27 July 2023

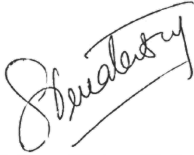
**3I INFOTECH HOLDINGS PRIVATE LIMITED**

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**SECRETARY'S CERTIFICATE FOR THE YEAR ENDED MARCH 31, 2023**

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We certify that, to our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of **3i Infotech Holdings Private Limited** ("the Company") under the Mauritian Companies Act 2001 for the year ended March 31, 2023.



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*for* **International Proximity Management Services Limited**

**COMPANY SECRETARY**

**Date: 27 July 2023**



## CHARTERED CERTIFIED ACCOUNTANTS

### D & G ASSOCIATES LLP

#### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3I INFOTECH HOLDINGS PRIVATE LIMITED

##### Report on the audit of the financial statements

##### *Opinion*

We have audited the financial statements of **3I INFOTECH HOLDINGS PRIVATE LIMITED** ("the Company"), which comprise the statement of financial position as at 31 March 2023 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 to 6 - 40.

In our opinion, except for the effects of matter described in the Basis of Qualified Opinion section of our report, these financial statements give a true and fair view of the financial position of the Company as at 31 March 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

##### *Basis for Qualified Opinion*

The Company's functional currency is US Dollars while its presentation currency is Mauritian Rupees. The foreign exchange gains / losses arising on translation from functional to presentation currency, for current and previous years, have been recognized in the Statement of Profit or Loss and in Retained Earnings rather than in Other Comprehensive Income ("OCI") and Foreign Currency Translation Reserves ("FCTR"). This constitutes a departure from IAS 21. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of FCTR and the amount that should have been recorded in OCI because management did not provide us with the relevant workings. Consequently, we were unable to determine the adjustments needed to these items.

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 qualified opinion.

##### *Other Information*

The directors are responsible for the other information. The other information comprises the commentary of the directors and any other information. 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.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
3I INFOTECH HOLDINGS PRIVATE LIMITED**

**Report on the audit of the financial statements (continued)**

*Directors' Responsibility for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, 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.

*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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
3I INFOTECH HOLDINGS PRIVATE LIMITED**

**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 members, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members 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 members, for our audit work, for this report, or for the opinions we have formed.

**Report on other legal and regulatory requirements**

*Mauritius Companies Act 2001*

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.

*D & G Associates.*

**D & G Associates LLP**  
Chartered Certified Accountants



Quatre Bornes  
REPUBLIC OF MAURITIUS

**J. Dhanjee, FCCA**  
Signing Partner  
Licensed by FRC



DATE: .....

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023


|  | Notes | March 31,<br>2023<br>Rs.     | March 31,<br>2022<br>Rs.    |
|--|-------|------------------------------|-----------------------------|
| <b>ASSETS</b>  |       |                              |                             |
| <b>Non-current assets</b>                            |       |                              |                             |
| Investment in subsidiary companies                   | 5     | 4,777,523,314                | 4,777,523,314               |
| Deposit on investments                               | 6     | 237,013,406                  | 237,013,406                 |
| Financial assets at fair value through profit & loss | 7     | 4,492,368,154                | 3,842,649,931               |
|  |       | <u>9,506,904,874</u>         | <u>8,857,186,651</u>        |
| <b>Current assets</b>                                |       |                              |                             |
| Financial assets at amortised cost                   | 8     | 649,209,409                  | 618,982,376                 |
| Prepayments  |       | 97,054                       | 4,220                       |
| Cash and cash equivalents                            | 9     | 176,320                      | 901,617                     |
|  |       | <u>649,482,783</u>           | <u>619,888,213</u>          |
| <b>Total assets</b>                                  |       | <u><b>10,156,387,657</b></u> | <u><b>9,477,074,864</b></u> |
| <b>EQUITY AND LIABILITIES</b>                        |       |                              |                             |
| <b>Capital and reserves</b>                          |       |                              |                             |
| Stated capital                                       | 10    | 6,258,371,598                | 6,258,371,598               |
| Other equity   | 10(b) | 1,072,078,780                | 1,072,078,780               |
| Revenue deficit                                      | 10(c) | (2,068,692,119)              | (2,269,496,220)             |
| <b>Total equity</b>                                  |       | <u><b>5,261,758,259</b></u>  | <u><b>5,060,954,158</b></u> |
| <b>Non-current liabilities</b>                       |       |                              |                             |
| Redeemable convertible preference share              | 11    | 4,892,748,071                | 4,414,801,800               |
| <b>Current liabilities</b>                           |       |                              |                             |
| Other payables                                       | 12    | 1,124,571                    | 1,018,967                   |
| Current tax liabilities                              | 13(a) | 756,756                      | 299,939                     |
|  |       | <u><b>1,881,327</b></u>      | <u><b>1,318,906</b></u>     |
| <b>Total equity and liabilities</b>                  |       | <u><b>10,156,387,657</b></u> | <u><b>9,477,074,864</b></u> |

\* Refer Note- 22 in respect of prior year restatement

These separate financial statements have been approved for issue by the Board of Directors on 27 July 2023 and signed on its behalf by:

  
 Name: \_\_\_\_\_  
 Director



  
 Name: \_\_\_\_\_  
 Director

Name: \_\_\_\_\_  
 Director

The notes on pages 10 to 40 form an integral part of the financial statements.  
Independent auditor's report on pages 5 to 5(b).

**3I INFOTECH HOLDINGS PRIVATE LIMITED**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2023**

|   | <u>Notes</u> | <u>March 31,<br/>2023</u><br>Rs. | <u>March 31,<br/>2022</u><br>Rs. |
|---|--------------|----------------------------------|----------------------------------|
| <b>INCOME</b>   |              |                                  |                                  |
| Interest income   | 19(b)(ii)    | 4,681,471                        | 4,390,385                        |
| <b>EXPENSES</b>   |              |                                  |                                  |
| Administrative expenses   | 16           | (61,029)                         | (2,039,290)                      |
| Professional fees   | 17           | (1,805,733)                      | (947,629)                        |
| Other Expenses  | 18           | (2,141,141)                      | -                                |
|   |              | <u>(4,007,902)</u>               | <u>(2,986,919)</u>               |
| Fair value gains on financial assets at fair value through profit or loss | 7            | 508,182,803                      | 424,220,784                      |
| Reversals of impairment losses on financial assets                        | 5            | -                                | 2,506,173,196                    |
| Profit before foreign exchange  |              | <u>508,856,372</u>               | <u>2,931,797,446</u>             |
| Net foreign exchange gain   | 14           | <u>49,580,826</u>                | <u>60,257,876</u>                |
| Profit before finance cost  |              | <u>558,437,198</u>               | <u>2,992,055,322</u>             |
| Finance cost  | 15           | <u>(357,176,280)</u>             | <u>(322,285,648)</u>             |
| Profit before taxation  |              | <u>201,260,918</u>               | <u>2,669,769,674</u>             |
| Income tax charge   | 13(b)        | <u>(456,817)</u>                 | <u>(394,489)</u>                 |
| Profit for the year   |              | <u>200,804,101</u>               | <u>2,669,375,185</u>             |
| Other comprehensive income  |              | -                                | -                                |
| <b>Total comprehensive income for the year</b>                            |              | <u><u>200,804,101</u></u>        | <u><u>2,669,375,185</u></u>      |

\* Refer Note- 22 in respect of prior year restatement

The notes on pages 10 to 40 form an integral part of the financial statements.  
Independent auditor's report on pages 5 to 5(b).



3I INFOTECH HOLDINGS PRIVATE LIMITED

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

|   | Stated<br>capital<br>Rs. | Other<br>equity<br>Rs. | Revenue<br>deficit<br>Rs. | Total<br>equity<br>Rs. |
|---|--------------------------|------------------------|---------------------------|------------------------|
| <b>Balance at April 1, 2022</b>         | -                        | -                      | -                         | -                      |
| - as previously stated                  | -                        | -                      | -                         | -                      |
| - Prior year adjustments                | -                        | -                      | -                         | -                      |
| - As restated                           | 6,258,371,598            | 1,072,078,780          | (2,269,496,220)           | 5,060,954,157          |
| Profit for the year                     | -                        | -                      | 200,804,101               | 200,804,101            |
| Other comprehensive income for the year | -                        | -                      | -                         | -                      |
| Total comprehensive income for the year | -                        | -                      | 200,804,101               | 200,804,101            |
| <b>Balance at March 31, 2023</b>        | <b>6,258,371,598</b>     | <b>1,072,078,780</b>   | <b>(2,068,692,119)</b>    | <b>5,261,758,259</b>   |

|   | Stated<br>capital<br>Rs. | Other<br>equity<br>Rs. | Revenue<br>deficit<br>Rs. | Total<br>equity<br>Rs. |
|---|--------------------------|------------------------|---------------------------|------------------------|
| <b>Balance at April 1, 2021</b>         | 6,258,371,598            | -                      | (3,394,943,252)           | 2,863,428,346          |
| - as previously stated                  | -                        | -                      | -                         | -                      |
| - Prior year adjustments                | -                        | 1,072,078,780          | (1,543,928,153)           | (471,849,373)          |
| - As restated                           | 6,258,371,598            | 1,072,078,780          | (4,938,871,405)           | 2,391,578,973          |
| Profit for the year                     | -                        | -                      | 2,669,375,185             | 2,669,375,185          |
| Other comprehensive income for the year | -                        | -                      | -                         | -                      |
| Total comprehensive income for the year | -                        | -                      | 2,669,375,185             | 2,669,375,185          |
| <b>Balance at March 31, 2022</b>        | <b>6,258,371,598</b>     | <b>1,072,078,780</b>   | <b>(2,269,496,220)</b>    | <b>5,060,954,158</b>   |

The notes on pages 10 to 40 form an integral part of the financial statements.  
Independent auditor's report on pages 5 to 5(b).



**3I INFOTECH HOLDINGS PRIVATE LIMITED**

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023**

|   | <u>Notes</u> | <u>March 31,<br/>2023</u> | <u>March 31,<br/>2022</u> |
|---|--------------|---------------------------|---------------------------|
|   |              | <u>Rs.</u>                | <u>Rs.</u>                |
| <b>Cash flows from operating activities</b>                               |              |                           |                           |
| Profit before taxation  |              | 201,260,918               | 2,669,769,674             |
| <i>Adjustments for:</i>   |              |                           |                           |
| Finance costs   | 15           | 357,176,280               | 322,285,648               |
| Net Foreign Exchange gain   | 14           | (49,580,826)              | (60,257,876)              |
| Reversal of impairment losses on financial assets                         | 5            | -                         | (2,506,173,196)           |
| Fair value gains on financial assets at fair value through profit or loss | 7            | (508,182,803)             | (424,220,784)             |
| <i>Changes in working capital:</i>  |              |                           |                           |
| - Prepayments   |              | (92,834)                  | (362)                     |
| - Other payables  |              | 105,604                   | 537,937                   |
| <b>Cash generated from operating activities</b>                           |              | <b>686,339</b>            | <b>1,941,040</b>          |
| Tax paid  | 13(a)        | -                         | (207,859)                 |
| <b>Net Cash generated from operating activities</b>                       |              | <b>686,339</b>            | <b>1,733,181</b>          |
| <b>Cash flows from investing activities</b>                               |              |                           |                           |
| Refund of share application money on investment                           | 6            | -                         | 6,983,039                 |
| Financial assets at amortised cost  |              | (1,411,636)               | (7,951,954)               |
| <b>Net cash used in investing activities</b>                              |              | <b>(1,411,636)</b>        | <b>(968,915)</b>          |
| <b>Net (decrease)/increase in cash and cash equivalents</b>               |              | <b>(725,297)</b>          | <b>764,266</b>            |
| <b>Movement in cash and cash equivalents</b>                              |              |                           |                           |
| At April 1,   |              | 901,617                   | 137,351                   |
| (Decrease)/Increase   |              | (725,297)                 | 764,266                   |
| <b>At March 31,</b>   | <b>9</b>     | <b>176,320</b>            | <b>901,617</b>            |

The notes on pages 10 to 40 form an integral part of the financial statements.  
Independent auditor's report on pages 5 to 5(b).



**1. GENERAL INFORMATION**

3i Infotech Holdings Private Limited (the "Company") was incorporated in the Republic of Mauritius on November 20, 2006. The Company's activity is that of investment holding. Its registered office is 5th Floor, Ebene Esplanade, 24 Cybercity, Ebene.

These separate financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of shareholder of the Company.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the separate financial statements of the Company are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of *3i Infotech Holdings Private Limited* comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board (IASB) and Financial Reporting Act 2004. These financial statements are that of an individual entity. The financial statements are presented in Mauritian Rupees (MUR) and all values are rounded to the nearest rupees.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention.

The financial statements have been prepared under the historical cost convention except that:  
(i) financial assets at fair value through profit and loss are stated at fair value

The accounting policies used in the preparation of these special purpose financial statements are consistent with those used in the preparation of the financial statements for the period ended 31 March 2022, except for the adoption of the following new standards, amendments and interpretations effective 1 January 2022.

**New and revised Accounting Standards and Interpretations**

The Company applied for the first-time certain new standards, amendments, and interpretations, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any standards, amendments or interpretations that have been issued but are not yet effective.

- Amendments to IFRS 3 Business Combinations Reference to the Conceptual Framework;
- Amendments to IAS 16 Property, Plant and Equipment— Proceeds before Intended Use;
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle:
  - IFRS 1 First time Adoption of International Financial Reporting Standards
  - IFRS 9 Financial Instruments
  - IFRS 16 Leases
  - IAS 41 Agriculture

The adoption of these new Standards, Improvements, Interpretations and Amendments did not have any material impact on the Company for the year ended 31 March 2023.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.1 Basis of preparation (cont'd)**

**Standards, amendments and interpretations issued but not yet effective:**

•IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17) - Insurance contracts;

•Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;

•Amendments to IAS 1: Classification of Liabilities as Current or Non-current;

•Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

•Amendments to IAS 8: Definition of Accounting Estimates

•Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The management anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.2 Investment in subsidiary companies*****Separate financial statement of the investor***

In the separate financial statements of the investor, investment in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investment.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

***Consolidated financial statements***

These are the separate financial statements with information about the Company as an individual company and do not contain consolidated financial information as the parent of a group.

3i Infotech Holdings Private Limited elected not to present consolidated financial statements. The Company is a wholly owned subsidiary of 3i Infotech Limited, a company incorporated in the India. The election is in accordance with the exemption under paragraph 4(a) of IFRS 10 - Consolidated Financial Statements as 3i Infotech Limited prepares consolidated financial statements in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 that are in line with International Financial Reporting Standards and are available for public use.

These consolidated financials can be obtained on the website of 3i Infotech Limited, [www.3i-infotech.com](http://www.3i-infotech.com).

Details on the investment in subsidiary company are included under note 5.





**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial Instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financials Assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- \* The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets.
- \* The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.  
By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- \* The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met.
- \* The Company may irrevocably designate a debt investment that meets the amortised cost or FYTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

**(i) Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial Instruments (cont'd)****Classification of financial assets (cont'd)****(i) Amortised cost and effective interest method (cont'd)**

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), 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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of 4 financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "interest Income" line item (note 18).

**(ii) Financial assets at FVTPL**

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FYTOCI on initial recognition.

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FYTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the line item "Fair value gains on financial assets at fair value through profit or loss" (Note 7).



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)****Classification of financial assets (cont'd)****Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)****Impairment of financial assets (cont'd)****(i) Significant increase in credit risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

\* An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating.

\* Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost.

\* Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.

\* An actual or expected significant deterioration in the operating results of the debtor.

\* Significant increases in credit risk on other financial instruments of the same debtor.

\* An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

\* The debtor has a strong capacity to meet its contractual cash flow obligations in the near term.

\* Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Financial instruments (cont'd)

Impairment of financial assets (cont'd)

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- \* When there is a breach of financial covenants by the debtor.
- \* Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- \* Significant financial difficulty of the issuer or the borrower,
- \* A breach of contract, such as a default or past due event.
- \* The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- \* It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- \* The disappearance of an active market for that financial asset because of financial difficulties.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)****Impairment of financial assets (cont'd)****(iv) Write-off policy**

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

**v) Measurement and recognition of expected credit losses**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

***Derecognition of financial assets***

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)****Derecognition of financial assets (cont'd)**

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is

**Financial liabilities and equity***Classification as debt or equity*

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 2.3 Financial instruments (cont'd)

## Financial liabilities and equity (cont'd)

*Compound instruments*

The component parts of convertible loan notes issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

*Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.





**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)****Financial liabilities and equity (cont'd)***Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- \* It has been acquired principally for the purpose of repurchasing it in the near term
- \* On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- \* It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- \* Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- \* The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- \* It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability,

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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 liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)****Financial liabilities and equity (cont'd)***Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

*Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.3 Financial instruments (cont'd)*****Derivative financial instruments*****Embedded derivatives**

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host — with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Company generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

The line item "Financial assets at fair value through profit or loss" (Note 7) in the statement of financial position relates to a hybrid contract since it contains both a non-derivative host (being the principal amount of a Redeemable Convertible Preference Shares "RCPS") and an embedded derivative (being the option to convert the RCPS into ordinary shares). The host is an asset within the scope of IFRS 9 and thus the whole of the hybrid instrument has been classified as financial asset at fair value through profit or loss given that the instrument is held to collect contractual cash flows but those contractual cash flows are not solely payment of principal and interest. Please refer to note 7 for more details.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.4 Current and deferred income tax**

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

*Current tax*

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

*Deferred tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

**2.5 Share capital***Ordinary shares*

Ordinary shares are classified as equity.

*Preference share capital*

Preference share capital is classified as equity if it is non-redeemable or redeemable only at the Company's option, and any dividend are discretionary. Discretionary dividends thereon are recognised as distributions within the equity upon approval by the Company's shareholders.

Mandatorily redeemable preference shares are classified as liabilities.

**2.6 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****2.7 Foreign currencies****(i) Functional and presentation currency**

Items included in the financial statements are measured using Mauritian Rupees (Rs.), however USD is the currency of the primary economic environment in which the entity operates ("functional currency").

**(ii) Transactions and balances**

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

**2.8 Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

**2.9 Revenue recognition**

Revenues earned by the Company are recognised on the following bases:

- Interest income is calculated by applying the effective interest rate to the gross amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).
- Dividend income - when the shareholder's right to receive payment is established.
- Other income - as it accrues unless collectibility is in doubt.



## 3. FINANCIAL RISK MANAGEMENT

3.1 *Financial risk factors*

The Company's activities expose it to a variety of financial risks, including:

- market risk (including currency risk, fair value interest rate risk and cash flow interest risk);
- credit risk;
- liquidity risk; and
- concentration risk;

A description of the significant risk factors is given below together with the risk management policies applicable.

**Market risk****Currency risk**

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro, the US dollar and South African Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates.

At March 31, 2023, if the rupee had weakened/strengthened by 5% against Euro and US dollars with all other variables held constant, based on historical observations, post-tax loss for the year would have been Rs.10,534,953 (2022: Rs.1,985,309) lower/higher, mainly as a result of foreign exchange losses/gains on translation of Euro, US dollars and South African Rand denominated net trade and other payables over cash and cash equivalents.

|  | Euro<br>Rs.            | USD<br>Rs.           | Total<br>Rs.       |
|--|------------------------|----------------------|--------------------|
| <b>2023</b>  |                        |                      |                    |
| <b><u>Financial assets</u></b>                     |                        |                      |                    |
| <b><u>At Amortised Cost</u></b>                    |                        |                      |                    |
| Cash and cash equivalents (Note 9)                 | -                      | 176,320              | 176,320            |
| Loans and receivables (Note 8)                     |                        | 649,209,409          | 649,209,409        |
| <b><u>At Fair Value Through Profit or Loss</u></b> |                        |                      |                    |
| Redeemable Convertible Preference Share (Note 7)   | -                      | 4,492,368,154        | 4,492,368,154      |
| <b><u>Financial liabilities</u></b>                |                        |                      |                    |
| Redeemable Convertible Preference Share (Note 11)  | (1,189,293,603)        | (3,703,454,468)      | (4,892,748,071)    |
| Other payables (Note 12)                           |                        | (1,124,571)          | (1,124,571)        |
|  | <u>(1,189,293,603)</u> | <u>1,437,174,844</u> | <u>247,881,241</u> |
|  |                        |                      |                    |
|  | Euro<br>Rs.            | USD<br>Rs.           | Total<br>Rs.       |
| <b>2022</b>  |                        |                      |                    |
| <b><u>Financial assets</u></b>                     |                        |                      |                    |
| <b><u>At Amortised Cost</u></b>                    |                        |                      |                    |
| Cash and cash equivalents (Note 9)                 | -                      | 901,617              | 901,617            |
| Loans and receivables (Note 8)                     | -                      | 618,982,376          | 618,982,376        |
| <b><u>At Fair Value Through Profit or Loss</u></b> |                        |                      |                    |
| Redeemable Convertible Preference Share (Note 7)   | -                      | 3,842,649,931        | 3,842,649,931      |
| <b><u>Financial liabilities</u></b>                |                        |                      |                    |
| <b><u>At Amortised Cost</u></b>                    |                        |                      |                    |
| Redeemable Convertible Preference Share (Note 11)  | (1,096,467,579)        | (3,318,334,221)      | (4,414,801,800)    |
| Other payables (Note 12)                           |                        | (1,018,967)          | (1,018,967)        |
|  | <u>(1,096,467,579)</u> | <u>1,143,180,736</u> | <u>46,713,157</u>  |



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

3.1 *Financial risk factors (cont'd)*

The 5% change in rate was derived from the average fluctuation in the respective foreign currencies for the last five years based on historical observation. Impact of 5% fluctuation is as follows:

|   | Euro<br>Rs.  | USD<br>Rs.    | Total<br>Rs.  |
|---|--------------|---------------|---------------|
| <b>2023</b>                             |              |               |               |
| <b>Financial assets</b>                 |              |               |               |
| Cash and cash equivalents               | -            | 7,494         | 7,494         |
| Redeemable Convertible Preference Share | -            | 190,925,647   | 190,925,647   |
| Loans and receivables                   | -            | 27,591,400    | 27,591,400    |
|   | -            | 218,524,540   | 218,524,540   |
| <b>Financial liabilities</b>            |              |               |               |
| Redeemable Convertible Preference Share | (50,544,978) | (157,396,815) | (207,941,793) |
| Other payables                          |              | (47,794)      | (47,794)      |
|   | (50,544,978) | (157,444,609) | (207,989,587) |
| Net impact                              | (50,544,978) | 61,079,931    | 10,534,953    |
| <b>2022</b>                             |              |               |               |
| <b>Financial assets</b>                 |              |               |               |
| Cash and cash equivalents               | -            | 38,319        | 38,319        |
| Redeemable Convertible Preference Share | -            | 163,312,622   | 163,312,622   |
| Loans and receivables                   | -            | 26,306,751    | 26,306,751    |
|   | -            | 189,657,692   | 189,657,692   |
| <b>Financial liabilities</b>            |              |               |               |
| Redeemable Convertible Preference Share | (46,599,872) | (141,029,204) | (187,629,077) |
| Other payables                          |              | (43,306)      | (43,306)      |
|   | (46,599,872) | (141,072,511) | (187,672,383) |
| Net impact                              | (46,599,872) | 48,585,181    | 1,985,309     |

The above currency profile excludes prepayments amounting to Rs.97,054 (2022: Rs.4,220) from financial assets and current tax liabilities Rs.756,756 (2022: Rs.299,939).

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect the value of the Company's interest-bearing financial liabilities and assets. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date the Company was not exposed to any interest-bearing financial liabilities with floating rate of interest.

At March 31, 2023, if the interest rates on interest bearing borrowings had been 1% lower/higher with all other variables held constant, post-tax profit for the year would have been Rs. 41,588,359 (2022: Rs.37,525,815) lower/higher, mainly as a result of lower/higher interest expense on floating rate interest bearing borrowings.

The Company's income and operating cash flows are exposed to interest rate risk as it sometimes lends at variable rates.

Interest bearing assets related to loans advanced to subsidiary amounting to Rs.265,284,910 (2022: Rs.236,448,714) bearing interest rate of 3% to 5%

At March 31, 2023, if the interest rates on interest bearing assets had been 1% lower/higher with all other variables held constant, post-tax profit for the year would have been Rs. 2,254,922 (2021: Rs.2,009,814) lower/higher, mainly as a result of lower/higher interest income on floating rate interest bearing assets.



### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### 3.1 *Financial risk factors (cont'd)*

##### **Credit risk**

Credit risk arises from cash and cash equivalents and credit exposures to receivables from related parties. For banks and financial institutions, only independently rated parties are accepted. The Company's credit risk is primarily attributable to amount receivable from its related parties. This amount excludes share application monies on investment as shown in Note 6.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The company aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the Company's financial liabilities based on the remaining period at the end of the reporting period to the contractual maturity date.

|  | Less than 1 year<br>Rs. | Between 1<br>and 2 years<br>Rs. | Between 2<br>and 5 years<br>Rs. | Total<br>Rs.  |
|--|-------------------------|---------------------------------|---------------------------------|---------------|
| <b>At March 31, 2023</b>               |                         |                                 |                                 |               |
| Redeemable Convertible                 |                         |                                 |                                 |               |
| Preference Share (undiscounted amount) | -                       | 5,542,090,803                   |                                 | 5,542,090,803 |
| Trade and other payables (Note 12)     | 1,124,571               | -                               | -                               | 1,124,571     |
| <b>At March 31, 2022</b>               |                         |                                 |                                 |               |
| Redeemable Convertible                 |                         |                                 |                                 |               |
| Preference Share (undiscounted amount) | -                       | -                               | 5,542,090,803                   | 5,542,090,803 |
| Trade and other payables (Note 12)     | 1,018,967               | -                               | -                               | 1,018,967     |

##### **Concentration risk**

The Company's investments are concentrated mainly in the United States of America. The Company is, therefore, exposed to economic risks inherent to that country.

#### 3.2 **Fair value estimation**

The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values.

The fair value of those financial assets and liabilities not presented on the Company's statement of financial position at the fair values are not materially different from their carrying amounts.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

## 3. FINANCIAL RISK MANAGEMENT (CONT'D)

## 3.3 Capital risk management

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders

The debt-to-capital ratios of the Company as at March 31, 2023 and 2022 were as follows:

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
|  | Rs.                  | Rs.                  |
| Total debts (note 11)                    | 4,892,748,071        | 4,414,801,800        |
| Less: cash and cash equivalents (note 9) | (176,320)            | (901,617)            |
| Net debts                                | <u>4,892,571,751</u> | <u>4,413,900,183</u> |
| Total equity                             | <u>5,261,758,259</u> | <u>5,060,954,158</u> |
| Debt-to-capital ratio                    | <u>0.93:1</u>        | <u>0.87:1</u>        |

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## 4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

(a) Fair value of securities not quoted in an active market

The fair value of securities not quoted in an active market may be determined by the Company using valuation techniques including third party transaction values, earnings, net asset value or discounted cash flows, whichever is considered to be appropriate. The Company would exercise judgement and estimates on the quantity and quality of pricing sources used. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(b) ECL on financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(c) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Company's view of possible near-term market changes that cannot be predicted with any certainty.



## 5. INVESTMENT IN SUBSIDIARY COMPANIES

|                               | 2023<br>Rs.          | 2022<br>Rs.          |
|-------------------------------|----------------------|----------------------|
| At start                      | 4,777,523,314        | 2,271,350,118        |
| Additions                     | -                    | -                    |
| Reversal of Impairment losses | -                    | 2,506,173,196        |
| At end                        | <u>4,777,523,314</u> | <u>4,777,523,314</u> |

(a) The subsidiary companies are as follows:

| (i) | Name of company | Line of business                  | Country of incorporation | Year ended | Class of shares held | % holding   |            | 2023          | 2022          |
|-----|-----------------|-----------------------------------|--------------------------|------------|----------------------|-------------|------------|---------------|---------------|
|     |                 |                                   |                          |            |                      | Class A & B | MUR        |               |               |
|     | 3i Infotech Inc | IT Services and Staffing Services | USA                      | March 31   | Class A & B          | 100%        |            | 4,434,012,766 | 1,927,839,570 |
|     |                 |                                   |                          |            |                      |             | - Ordinary |               |               |

The directors have reviewed the carrying value of the Company's interest in the subsidiary company for 4,251,536,323 (Class A & B) at the end of the reporting date and considered that there is no indication of impairment.

| (ii) | Name of company                  | Line of business   | Country of incorporation | Year ended | Class of shares held | % holding |     | 2023        | 2022        |
|------|----------------------------------|--|--------------------------|------------|----------------------|-----------|-----|-------------|-------------|
|      |                                  |  |                          |            |                      | Ordinary  | MUR |             |             |
|      | 3i Infotech (Middle East) FZ LLC | Software consultancy and customer service, software developer and solution provider and support services | United Arab Emirates     | March 31   | Ordinary             | 100%      |     | 339,759,120 | 339,759,120 |

The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment. The investment in 3i Infotech (Middle East) FZ LLC is Rs. 339,759,120.

| (iii) | Name of company                                | Line of business | Country of incorporation | Year ended | Class of shares held | % holding |     | 2023 | 2022 |
|-------|--|------------------|--------------------------|------------|----------------------|-----------|-----|------|------|
|       |  |                  |                          |            |                      | Ordinary  | MUR |      |      |
|       | 3i Infotech (South Africa) Proprietary Limited | IT services      | South Africa             | March 31   | Ordinary             | 100%      |     | 3    | 3    |

The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment. The investment in 3i Infotech (South Africa) Proprietary Limited is Rs.3.



## 5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

| (iv) | Name of company              | Line of business       | Country of incorporation | Year ended | Class of shares held | 2023 & 2022 % holding | 2023 | 2022 |
|------|------------------------------|------------------------|--------------------------|------------|----------------------|-----------------------|------|------|
|      | 3i Infotech (Cyprus) Limited | Holding of investments | Cyprus                   | March 31   | Ordinary             | 100%                  | MUR  | MUR  |

The investment of Rs. 1,280,595,427 in 3i Infotech (Cyprus) Limited has been fully impaired as at March 31, 2023.

| (v) | Name of company                   | Line of business | Country of incorporation | Year ended | Class of shares held | 2023 & 2022 % holding | 2023      | 2022      |
|-----|-----------------------------------|------------------|--------------------------|------------|----------------------|-----------------------|-----------|-----------|
|     | 3i Infotech Software Solution LLC | IT services      | United Arab Emirates     | March 31   | Ordinary             | 100%                  | MUR       | MUR       |
|     |                                   |                  |                          |            |                      |                       | 2,737,823 | 2,737,823 |

(a) The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment.

| (vi) | Name of company             | Line of business   | Country of incorporation | Year ended | Class of shares held | 2023 & 2022 % holding | 2023      | 2022      |
|------|-----------------------------|--|--------------------------|------------|----------------------|-----------------------|-----------|-----------|
|      | 3i Infotech Nigeria Limited | Computer Programming, IT Consultance and IT Enabled Services | Nigeria                  | March 31   | Class A - Ordinary   | 100%                  | MUR       | MUR       |
|      |                             |  |                          |            |                      |                       | 1,006,175 | 1,006,175 |

(a) The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment.

| (vii) | Name of company            | Line of business | Country of incorporation | Year ended | Class of shares held | 2023 & 2022 % holding | 2023  | 2022  |
|-------|----------------------------|------------------|--------------------------|------------|----------------------|-----------------------|-------|-------|
|       | 3i Infotech Netherlands BV | IT services      | Netherlands              | March 31   | Class A - Ordinary   | 100%                  | MUR   | MUR   |
|       |                            |                  |                          |            |                      |                       | 3,527 | 3,527 |

(a) The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment.

| (viii) | Name of company    | Line of business               | Country of incorporation | Year ended | Class of shares held | 2023 & 2022 % holding | 2023  | 2022  |
|--------|--------------------|--------------------------------|--------------------------|------------|----------------------|-----------------------|-------|-------|
|        | 3i Infotech Canada | Software solution and services | Canada                   | March 31   | Class A - Ordinary   | 100%                  | MUR   | MUR   |
|        |                    |                                |                          |            |                      |                       | 3,900 | 3,900 |

(a) The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| 6. DEPOSIT ON INVESTMENTS                    | 2023               | 2022               |
|--|--------------------|--------------------|
|  | Rs.                | Rs.                |
| At April 1,                                  | 237,013,406        | 243,996,445        |
| Refund from subsidiary company               | -                  | (6,983,039)        |
| At March 31,                                 | <u>237,013,406</u> | <u>237,013,406</u> |
| The share application monies are as follows: |                    |                    |
|  | 2023               | 2022               |
|  | Rs.                | Rs.                |
| 3i Infotech Inc.                             | 206,392,046        | 206,392,046        |
| 3i Infotech (Middle East) FZ LLC             | 30,621,360         | 30,621,360         |
|  | <u>237,013,406</u> | <u>237,013,406</u> |

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT &amp; LOSS

Please refer to Note 2.3, specifically under "Embedded Derivatives", for the related accounting policies of financial assets at fair value through profit and loss.

## (a) The carrying amounts of the financial assets at fair value through profit or loss are classified as follows:

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
|   | Rs.                  | Rs.                  |
| At April 1,   |                      |                      |
| - As previously stated  | -                    | -                    |
| - Reclassification from financial assets at amortised cost (Note 8)   | -                    | 4,225,515,281        |
| - Effect of prior year adjustment   | -                    | (1,099,616,840)      |
| - At April 1 - as restated  | <u>3,842,649,931</u> | <u>3,125,898,441</u> |
| Fair value gains  | 508,182,803          | 424,220,784          |
| Foreign exchange difference   | 141,535,420          | 292,530,706          |
| At March 31,  | <u>4,492,368,154</u> | <u>3,842,649,931</u> |
| Non-Current   | 4,492,368,154        | 3,842,649,931        |
| Current   | -                    | -                    |
|   | <u>4,492,368,154</u> | <u>3,842,649,931</u> |
| The financial assets at fair value through profit or loss is denominated in US dollars  |                      |                      |
| -US Dollar  | <u>4,492,368,154</u> | <u>3,842,649,931</u> |
| Total gains for the period included in profit or loss for assets held at the end of the reporting period and included in net foreign exchange gains/(losses)- Note 14 |                      |                      |
|   | <u>141,535,420</u>   | <u>292,530,706</u>   |

| (b) At March 2023 | Level 1 | Level 2 | Level 3       | Total         |
|-------------------|---------|---------|---------------|---------------|
|                   | Rs.     | Rs.     | Rs.           | Rs.           |
|                   | -       | -       | 4,492,368,154 | 4,492,368,154 |
| At March 2022     |         |         |               |               |
|                   | Level 1 | Level 2 | Level 3       | Total         |
|                   | Rs.     | Rs.     | Rs.           | Rs.           |
|                   | -       | -       | 3,842,649,931 | 3,842,649,931 |



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT &amp; LOSS (CONT'D)

- (c) Changes in fair values of financial assets at fair value through profit or loss are recorded in profit or loss.

\* Refer Note- 22 in respect of prior year restatement

## 8 FINANCIAL ASSETS AT AMORTISED COST

| Non Current  | 2023               | 2022               |
|--|--------------------|--------------------|
|  | Rs.                | Rs.                |
| <b>At April 1,</b>   |                    |                    |
| - As previously stated   | -                  | 4,225,515,281      |
| - Reclassification to financial assets<br>at fair value through profit or loss (Note 7(a)) | -                  | (4,225,515,281)    |
| <b>- At April 1 - as restated</b>  | <b>-</b>           | <b>-</b>           |
| <b>Current</b>   | <b>2022</b>        | <b>2022</b>        |
|  | Rs.                | Rs.                |
| Receivables from subsidiary companies (Note 18(ii))  | 298,030,808        | 300,158,656        |
| Loan to subsidiary company (Note 18(ii))   | 265,284,910        | 236,448,714        |
| Loan to holding company (Note 18(i))   | 85,893,691         | 82,375,006         |
|  | <b>649,209,409</b> | <b>618,982,376</b> |

- (i) Impairment and risk exposure  
As at March 31, 2023 and 2022, there were no expected credit loss allowances as there are no records of amounts written off during the past years and the Expected Credit Loss was immaterial.
- (ii) The carrying amounts of the financial assets at amortised cost are denominated in USD. The interest rates ranges from 3% to 5%. The loan is unsecured and is repayable on demand.
- (iii) The total amount due from related parties represents management's best estimates of the amounts expected to be recoverable as at March 31, 2023 and 2022.
- (iv) Out of the receivables from subsidiary companies, Rs.265,284,910 (2021: Rs.236,448,714) bear interest the rate of 4% and 5% and are repayable on demand.
- (v) The loan to holding company is unsecured, interest-free and repayable on demand.

## 9. CASH AND CASH EQUIVALENTS

|              | 2023    | 2022    |
|--------------|---------|---------|
|              | Rs.     | Rs.     |
| Cash at bank | 176,320 | 901,617 |

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 10(a). STATED CAPITAL

|                                     | 2023 & 2022      |                      |
|-------------------------------------|------------------|----------------------|
|                                     | Number of shares |                      |
| (i) <b>Authorised Share Capital</b> |                  | <b>4,005</b>         |
|                                     |                  |                      |
|                                     | 2023 & 2022      | 2023 & 2022          |
|                                     | Number of shares | Share Capital<br>Rs. |
| (ii) <b>Issued and fully paid</b>   | <b>4,005</b>     | <b>6,258,371,598</b> |

The total issued number of ordinary shares is 4,005 shares (2022: 4,005 shares) with no par value. All issued shares are fully paid.

Ordinary shares carry one vote per share and carry a right to dividends.

## 10(b). OTHER EQUITY

The equity components on the redeemable convertible preference redeemable shares is as follows:

|                            | 2023                 | 2022                 |
|----------------------------|----------------------|----------------------|
| <b>Balance at April 1</b>  |                      |                      |
| - as previously stated     | -                    | -                    |
| - Prior year adjustments   | -                    | 1,072,078,780        |
| - At April 1 - as restated | <b>1,072,078,780</b> | <b>1,072,078,780</b> |

|                               | 2023                 | 2022                 |
|-------------------------------|----------------------|----------------------|
|                               | Rs.                  | Rs.                  |
| Series A (denominated in EUR) | 315,373,090          | 315,373,090          |
| Series C (denominated in USD) | 745,051,382          | 745,051,382          |
| Series D (denominated in USD) | 11,654,308           | 11,654,308           |
|                               | <b>1,072,078,780</b> | <b>1,072,078,780</b> |

\*Refer Note- 22 in respect of prior year restatement

## 10(c). REVENUE DEFICIT

|   | 2023                   | 2022                   |
|---|------------------------|------------------------|
|   | Rs.                    | Rs.                    |
| <b>Balance at April 1</b>               |                        |                        |
| - as previously stated                  | -                      | (3,394,943,252)        |
| - Prior year adjustments                | -                      | (1,543,928,153)        |
| - At April 1 - as restated              | <b>(2,269,496,220)</b> | <b>(4,938,871,405)</b> |
| Income for the year                     | <b>200,804,101</b>     | 2,669,375,185          |
| Total comprehensive income for the year | <b>200,804,101</b>     | 2,669,375,185          |
|   |                        |                        |
| <b>Balance at March 31</b>              | <b>(2,068,692,119)</b> | <b>(2,269,496,220)</b> |

\* Refer Note- 22 in respect of prior year restatement



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

The RCPS issued by the company meets the definition of compound instrument. The liability component is presented in this note while the equity component is disclosed in "other equity"(note 10 (b)). Please refer to Note 2.3, specifically under "Compound instruments" for the related accounting policies.

## 11. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
|   | Rs.                  | Rs.                  |
| Redeemable convertible preference shares (11(a))                      | 2,473,236,094        | 2,407,380,516        |
| Premium payable on conversion of redeemable preference shares (11(b)) | 2,419,511,977        | 2,007,421,285        |
|   | <u>4,892,748,071</u> | <u>4,414,801,800</u> |
| (a) <b>At April 1,</b>  |                      |                      |
| - As previously stated  | -                    | 3,564,119,457        |
| - Effect of prior year adjustment                                     | -                    | (1,327,764,178)      |
| - At April 1 - as restated  | 2,407,380,516        | 2,236,355,279        |
| Foreign exchange loss (note 14)                                       | 65,855,578           | 171,025,237          |
| <b>At March 31, (note 18(i))</b>                                      | <u>2,473,236,094</u> | <u>2,407,380,516</u> |

The redeemable convertible preference shares of no par value are as follows:

|  | 2023 & 2022          | 2023                 | 2022                 |
|--|----------------------|----------------------|----------------------|
|  | Number of shares     | Rs.                  | Rs.                  |
| Series A ( <i>denominated in EUR</i> ) | 891,631,605          | 601,176,235          | 597,901,062          |
| Series C ( <i>denominated in USD</i> ) | 1,780,361,142        | 1,853,888,646        | 1,791,915,681        |
| Series D ( <i>denominated in USD</i> ) | 21,878,720           | 18,171,213           | 17,563,773           |
| <b>At March 31,</b>                    | <u>2,693,871,467</u> | <u>2,473,236,094</u> | <u>2,407,380,516</u> |

**Terms and conditions**

- (i) The holders shall have no right to request for early redemption.
- (ii) The Company reserves the right to redeem the shares at its will.
- (iii) The redemption amount shall not be less than 115% of the principal amount.
- (iv) The Company shall mandatorily redeem all the shares in each series for cash as below:

| shares   | Redemption date | % of capital amount redeemed | Redeemed in |
|----------|-----------------|------------------------------|-------------|
| Series A | March 24, 2025  | 139.627%                     | Euro        |
| Series C | March 24, 2025  | 141.428%                     | USD         |
| Series D | March 24, 2025  | 115%                         | USD         |

- (v) (a) The subscriber shall have the right to apply for conversion of the preference shares into 1 ordinary share for consideration of Rs. 1 each for every 1 preference share held, irrespective of the Series.  
(b) The shareholder shall apply for conversion at any time before March 17, 2025.
- (vi) The preference shares have both a liability and an equity component from the issuer's perspective. IAS 32 requires that the component parts be accounted for and presented separately according to their substance based on the definitions of liability and equity.

The initial carrying amount of the compound financial instrument amounting to Rs.2,756,641,486 is allocated to equity (Rs.1072,078,780) and liability component (Rs. 1,684,562,706).

The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

Refer note 10(c) for equity component of the preference shares.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 11. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

## (b) Premium payable on conversion of redeemable preference shares

|  | 2023                 | 2022                 |
|--|----------------------|----------------------|
|  | Rs.                  | Rs.                  |
| At April 1,                            |                      |                      |
| - As previously stated                 | -                    | 865,423,443          |
| - Effect of prior year adjustment      | -                    | 699,996,711          |
| - At April 1 - as restated             | 2,007,421,285        | 1,565,420,154        |
| Foreign exchange loss (note 14)        | 54,914,413           | 119,715,483          |
| Premium payable for the year (note 15) | 357,176,280          | 322,285,648          |
| At end (note 18(a)(i))                 | <u>2,419,511,977</u> | <u>2,007,421,285</u> |

## (i) The premium payable on conversion of preference redeemable shares is as follows:

|                               | 2022                 | 2022                 |
|-------------------------------|----------------------|----------------------|
|                               | Rs.                  | Rs.                  |
| Series A (denominated in EUR) | 588,117,368          | 498,566,517          |
| Series C (denominated in USD) | 1,813,618,116        | 1,494,209,019        |
| Series D (denominated in USD) | 17,776,493           | 14,645,749           |
|                               | <u>2,419,511,977</u> | <u>2,007,421,285</u> |

\* Refer Note- 22 in respect of prior year restatement

## 12. OTHER PAYABLES

|                   | 2023             | 2022             |
|-------------------|------------------|------------------|
|                   | Rs.              | Rs.              |
| Audit fees        | 627,486          | 679,483          |
| Professional fees | 490,391          | 332,790          |
| Others            | 6,694            | 6,694            |
|                   | <u>1,124,571</u> | <u>1,018,967</u> |

## 13. INCOME TAX

The Company is liable to pay tax in Mauritius at the rate of 15%. However, the Company is entitled to foreign tax credit which is the higher of:

- (i) deemed foreign tax credit of 80% of Mauritius tax charge; or
- (ii) withholding tax suffered on foreign source income.

## (a) Statement of financial position

|                                  | 2023           | 2022           |
|----------------------------------|----------------|----------------|
|                                  | Rs.            | Rs.            |
| At April 1,                      | 299,939        | 113,309        |
| Charge for the year (Note 13(b)) | 420,213        | 274,574        |
| Paid during the year             | -              | (207,860)      |
| CSR                              | 36,604         | 25,366         |
| Under provision in previous year | -              | 94,551         |
| At March 31,                     | <u>756,756</u> | <u>299,939</u> |





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 13. INCOME TAX (CONT'D)

## (b) Statement of profit or loss and other comprehensive income

The tax on the Company's results before taxation differs from the theoretical amount that would arise using the basic rate of the Company as follows:

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | Rs.           | Rs.           |
| Profit before taxation                        | 201,260,918   | 2,669,769,674 |
| Tax calculated at the rate of 15% (2021: 15%) | 30,189,138    | 400,465,451   |
| Expenses not allowable for tax purposes       | 72,011,118    | 91,964,717    |
| Income not subject to tax                     | (101,780,043) | (492,155,594) |
| Utilisation of tax losses brought forward     | -             | -             |
| Other adjustments                             | -             | -             |
| Current tax on adjusted profit                | 420,213       | 274,574       |
| Under provision in previous year              | -             | 94,551        |
| CSR   | 36,604        | 25,365        |
| Net tax charge to profit or loss              | 456,817       | 394,489       |

As at March 31, 2023, the Company had no accumulated tax losses in respect of which no deferred tax asset has been recognised due to unpredictability of future profit streams (2022: Nil).

## 14. NET FOREIGN EXCHANGE GAINS/(LOSSES)

|   | 2023         | 2022          |
|---|--------------|---------------|
|   | Rs.          | Rs.           |
| Foreign exchange gain on financial assets at FVTPL (Note 7(a))                                      | 141,535,420  | 292,530,706   |
| Foreign exchange gain on financial assets at amortised cost   | 28,815,397   | 58,112,609    |
| Foreign exchange loss on redeemable convertible preference shares (Note 11(a))                      | (65,855,578) | (171,025,237) |
| Foreign exchange loss on premium payable on conversion of redeemable preference shares (Note 11(b)) | (54,914,413) | (119,715,482) |
| Other foreign gains   | -            | 355,280       |
|   | 49,580,826   | 60,257,876    |

\* Refer Note- 22 in respect of prior year restatement

## 15. FINANCE COSTS

|   | 2023        | 2022        |
|---|-------------|-------------|
|   | Rs.         | Rs.         |
| Premium for the year on conversion of redeemable preference shares (Note 11(b)) | 357,176,280 | 322,285,648 |
|   | 357,176,280 | 322,285,648 |

\* Refer Note- 22 in respect of prior year restatement

## 16. ADMINISTRATIVE EXPENSES

|                                   | 2023   | 2022      |
|-----------------------------------|--------|-----------|
|                                   | Rs.    | Rs.       |
| Inter Chargeout - Margin Cost RPT | -      | 309,791   |
| Direct Charge out RPT             | -      | 1,720,518 |
| Bank Charges                      | 61,029 | 8,981     |
|                                   | 61,029 | 2,039,290 |



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

| 17. PROFESSIONAL FEES   | 2023               | 2022               |
|---|--------------------|--------------------|
|   | Rs.                | Rs.                |
| Audit fees  | 613,515            | 679,483            |
| Legal fees  | 1,192,218          | 268,146            |
|   | <u>1,805,733</u>   | <u>947,629</u>     |
| 18. Other Expenses  | 2023               | 2022               |
|   | Rs.                | Rs.                |
| Write off   | 2,127,848          | -                  |
| Courier Charges   | 13,293             | -                  |
|   | <u>2,141,141</u>   | <u>-</u>           |
| 19. RELATED PARTY TRANSACTIONS  |                    |                    |
| (a) The related party balances as at March 31, 2023 and 2022, are as follows:   |                    |                    |
|   | 2023               | 2022               |
|   | Rs.                | Rs.                |
| (i) <u>Holding company</u>  |                    |                    |
| Redeemable preference shares (Note 11(a))   | (2,473,236,094)    | (2,407,380,516)    |
| Premium payable on preference shares (Note 11(b))   | (2,419,511,977)    | (2,007,421,285)    |
| Loans receivable (Note 8)   | <u>85,893,691</u>  | <u>82,375,006</u>  |
| (ii) <u>Subsidiary companies</u>  | 2023               | 2022               |
|   | Rs.                | Rs.                |
| Financial Assets at fair value through profit or loss (Note 7(a))   | 4,492,368,154      | 3,842,649,931      |
| Amount receivable (Note 8)  | 298,030,808        | 300,158,656        |
| Loans receivable (Note 8)   | <u>265,284,910</u> | <u>236,448,714</u> |
| (b) The related party transactions during the year ended March 31, 2023 and 2022, are as follows:   |                    |                    |
|   | 2023               | 2022               |
|   | Rs.                | Rs.                |
| (i) <u>Holding company</u>  |                    |                    |
| Premium payable on preference shares  | 357,176,280        | 322,285,648        |
| Direct Charge out   | -                  | (3,704,458)        |
| (ii) <u>Subsidiary companies</u>  | 2023               | 2022               |
|   | Rs.                | Rs.                |
| Interest income   | <u>(4,681,471)</u> | <u>(4,390,385)</u> |
| (c) <b>Terms and conditions of transactions with related parties</b>  |                    |                    |
| (i) Outstanding balances at the year-end are unsecured and interest-free except for the loans receivable from subsidiary companies which bear interest at the rate of 4% and 5% and are repayable on demand.  |                    |                    |
| (ii) There have been no guarantees received or provided for any outstanding balances.   |                    |                    |
| (iii) For the years ended March 31, 2023, the Company has not recorded any impairment with respect to amounts owed by related parties (2022: Rs.Nil). This assessment is undertaken through examining the financial position of the related party and the market in which the party operates. |                    |                    |
| (iv) The terms and conditions of amounts receivable and payable are disclosed in notes 7,8 and 11.  |                    |                    |
| (v) The above transactions have been made on normal commercial terms and in the ordinary course of business.  |                    |                    |
| (d) No managerial remuneration was paid during the current reporting period.  |                    |                    |



**20. HOLDING COMPANY**

The directors consider 3i Infotech Limited, a company incorporated in India, as the holding and ultimate holding company.

**21. CONTINGENT LIABILITIES**

There were no contingent liabilities as at March 31, 2023.

**22. EFFECT OF PRIOR YEAR ADJUSTMENTS**

In preparing the financial statements for the year ended March 31, 2022, the Company has identified prior year restatements and made necessary corrections. Restatements were made to the financial statements, presentation and disclosures of certain transactions, in accordance with International Accounting Standard, IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors. They refer to the comparatives for the year ended March 31, 2021 and March 31, 2020.

**Prior year restatements are carried out in respect of the following:**

**(a) Redeemable Convertible Preference Shares subscribed in 3i Infotech Inc (Financial Assets at FVTPL)**

Till the financial year ended March, 2021, in respect of Redeemable Convertible Preference Shares, the management valued series B and series C subscribed in 3i Infotech Inc using the amortised cost basis. However, the Preference Shares have the convertible option into equity, due to which the Preference Shares were then valued at fair value through profit & loss.

**(b) Redeemable Convertible Preference Shares issued to 3i Infotech Limited**

Till the financial year ended March, 2021, in respect of Redeemable Convertible Preference Shares - Series A, Series C and Series D issued to 3i Infotech Limited, the management had incorrectly applied the concepts of IAS 32 and did not estimate the equity component arising from the conversion option. In the financial year ended March, 2022, the error was rectified as follows-

- Estimated the liability component at initial recognition by discounting the total liability (bullet payment) using an appropriate discount rate.
- Estimated the equity component of the compound instrument at initial recognition by deducting the liability component from the proceeds.
- Estimated the liability component as at 31 March 2021 and 31 March 2022.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 22. EFFECT OF PRIOR YEAR ADJUSTMENTS (CONT'D)

| <u>2021</u>   | <u>As Previously<br/>Stated</u> | <u>Effect of Prior<br/>Year<br/>Adjustments</u> | <u>As Restated</u> |
|---|---------------------------------|---|--------------------|
| <b><u>Statement of Financial Position</u></b>   |                                 |   |                    |
| <b>Assets</b>   |                                 |   |                    |
| Financial assets at fair value through profit & loss (Note 7(a))                      | -                               | 3,125,898,441                                   | 3,125,898,441      |
| Financial assets at amortised cost  | 4,225,515,281                   | (4,225,515,281)                                 | -                  |
| <b>Liabilities</b>  |                                 |   |                    |
| Redeemable convertible preference share (Note 11 (a))                                 | (4,429,542,900)                 | 627,767,467                                     | (3,801,775,433)    |
| Revenue Deficit (Note 10(b))  | 3,394,943,252                   | 1,543,928,153                                   | 4,938,871,405      |
| Other Equity (Note 10(c))   | -                               | (1,072,078,780)                                 | (1,072,078,780)    |
| <b><u>Statement of Profit and Loss</u></b>  |                                 |   |                    |
| Finance Cost (Note 15)  | 19,150,525                      | 258,383,487                                     | 277,534,012        |
| Fair value gains on financial assets at fair value through profit or loss (Note 7(a)) | -                               | (353,919,738)                                   | (353,919,738)      |
| Net foreign exchange gain/(loss) (Note 14)  | 51,319,261                      | 1,784,292                                       | 53,103,553         |
| Profit for the year   | (69,358,513)                    | 44,965,068                                      | (24,393,445)       |

| <u>2020</u>  | <u>As Previously<br/>Stated as at April<br/>1, 2020</u> | <u>Effect of Prior<br/>Year<br/>Adjustments</u> | <u>As Restated as<br/>at April 1, 2020</u> |
|--|---|---|--|
| <b><u>Statement of Financial Position</u></b>                    |   |   |  |
| <b>Assets</b>  |   |   |  |
| Financial assets at fair value through profit & loss (Note 7(a)) | -   | 2,678,637,234                                   | 2,678,637,234                              |
| Financial assets at amortised cost                               | 3,986,183,172   | (3,986,183,172)                                 | -  |
| <b>Liabilities</b>   |   |   |  |
| Redeemable convertible preference share (Note 11 (a))            | (4,103,233,373)   | 741,944,607                                     | (3,361,288,766)                            |
| Revenue Deficit (Note 10(b))                                     | 3,325,584,739   | 1,637,680,111                                   | 4,963,264,850                              |
| Other Equity (Note 10(c))  | -   | (1,072,078,780)                                 | (1,072,078,780)                            |

## 23. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date which requires amendments and/or disclosure in the financial statements for the year ended March 31, 2023.

