

3I INFOTECH HOLDINGS PRIVATE LIMITED

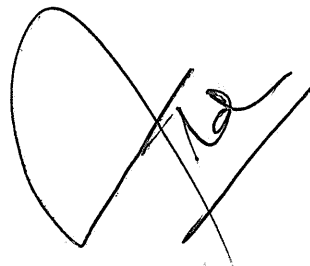
FINANCIAL STATEMENTS FOR THE YEAR ENDED

MARCH 31, 2020

3I INFOTECH HOLDINGS PRIVATE LIMITED

TABLE OF CONTENTS

	PAGES
MANAGEMENT AND ADMINISTRATION	1
DIRECTORS' REPORT	2
SECRETARY'S CERTIFICATE	3
INDEPENDENT AUDITOR'S REPORT	4 - 6
STATEMENT OF FINANCIAL POSITION	7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 27

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3I INFOTECH HOLDINGS PRIVATE LIMITED

1

CORPORATE INFORMATION FOR THE YEAR ENDED MARCH 31, 2020

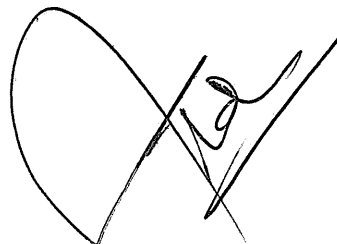
		Date of appointment	Date of resignation
DIRECTORS :	Koomar Aslam	November 20, 2006	-
	Iyer Padmanabhan	May 17, 2012	-
	Ghosh Mrinal	November 24, 2016	-
	Kasichainula Suryanarayan	February 5, 2018	-
	Purmah Uveesheksingh	December 26, 2018	May 22, 2019
	Ashok Shah	May 22, 2019	-

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

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

AUDITOR: BDO & Co
10, Frère Félix de Valois Street,
Port Louis
REPUBLIC OF MAURITIUS

BANK: HSBC Bank (Mauritius) Limited
6th Floor, HSBC Centre
18, Cybercity
Ebene
REPUBLIC OF MAURITIUS



DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2020

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, 2020.

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 8.

The directors do not recommend the payment of dividend for the year under review (2019: Rs Nil).

STATUS

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

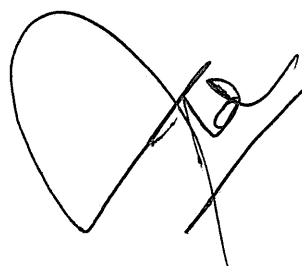
The directors report that:

- (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;
- (iii) International Financial Reporting Standards have been adhered to.
- (iv) the Code of Corporate Governance has been adhered to. Reasons have been provided in the Statement of Compliance in case of non-compliance with any requirement.

BY ORDER OF THE BOARD



Company Secretary
International Proximity Management Services Limited

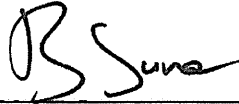


3I INFOTECH HOLDINGS PRIVATE LIMITED

3

SECRETARY'S CERTIFICATE FOR THE YEAR ENDED MARCH 31, 2020

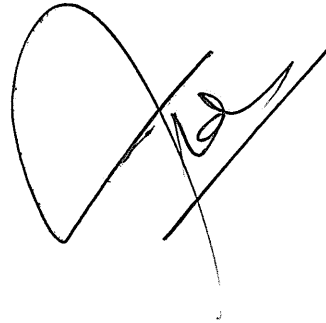
We certify that, to our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of **3i Infotech Holdings Private Limited** ("the Company") under the Companies Act 2001 for the year ended March 31, 2020.



for **International Proximity Management Services Limited**

COMPANY SECRETARY

Date: 25 SEP 2020



3i INFOTECH HOLDINGS PRIVATE LIMITED

4

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of 3i Infotech Holdings Private Limited

Report on the audit of the Financial Statements

We have audited the separate financial statements of **3i Infotech Holdings Private Limited** (the "Company") on pages 7 to 27 which comprise the statement of financial position as at March 31, 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements on pages 7 to 27 give a true and fair view of the financial position of the Company as at March 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

Emphasis of matter

Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends on the assumption that the holding company will continue to financially support the Company. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the directors' report, but does not include the financial statements and our auditor's report thereon.

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

3I INFOTECH HOLDINGS PRIVATE LIMITED

5

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of 3i Infotech Holdings Private Limited

Other information (cont'd)

In connection with our audit of the separate 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.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

To the Shareholder of 3i Infotech Holdings Private Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements*Companies Act 2001*

We have no relationship with, or interests in, the Company, other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all 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.

Other matter

This report is made solely to the member of **3i Infotech Holdings Private Limited**, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state in an auditor's 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Port Louis,
Mauritius.

BDO & Co
BDO & Co
Chartered Accountants

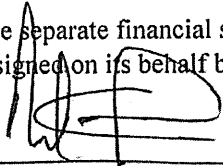


Lilawattee Tarachand, FCA, FCMA
Licensed by FRC

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

	Notes	2020 Rs.	Restated 2019 Rs.	Restated 2018 Rs.
ASSETS				
Non-current assets				
Investment in subsidiary companies	5	2,270,624,646	2,270,336,516	2,267,598,693
Share application monies on investments	6	244,970,880	244,970,880	244,970,880
Financial assets at amortised cost	7(a)	3,986,183,172	3,421,696,960	3,233,777,768
		<u>6,501,778,698</u>	<u>5,937,004,356</u>	<u>5,746,347,341</u>
Current assets				
Financial assets at amortised cost	7(b)	534,487,665	471,350,760	457,278,575
Prepayments		76,690	96,310	76,152
Cash and cash equivalents	8	650,854	824,920	1,563,783
		<u>535,215,209</u>	<u>472,271,990</u>	<u>458,918,510</u>
Total assets		<u>7,036,993,907</u>	<u>6,409,276,346</u>	<u>6,205,265,851</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	9	6,258,371,598	6,258,371,598	6,258,371,598
Revenue deficit		(3,325,584,739)	(3,374,064,048)	(3,455,454,416)
Total equity		<u>2,932,786,859</u>	<u>2,884,307,550</u>	<u>2,802,917,182</u>
Non-current liabilities				
Redeemable convertible preference share capital	10 (a)	3,405,509,898	3,016,850,473	3,004,430,075
Premium payable on conversion of redeemable preference shares	10 (b)	697,723,475	506,844,450	397,185,877
		<u>4,103,233,373</u>	<u>3,523,694,923</u>	<u>3,401,615,952</u>
Current liabilities				
Other payables	11	845,225	1,273,873	732,717
Current tax liabilities	12	128,450	-	-
		<u>973,675</u>	<u>1,273,873</u>	<u>732,717</u>
Total equity and liabilities		<u>7,036,993,907</u>	<u>6,409,276,346</u>	<u>6,205,265,851</u>

These separate financial statements have been approved for issue by the Board of Directors on 25 SEP 2020
and signed on its behalf by:

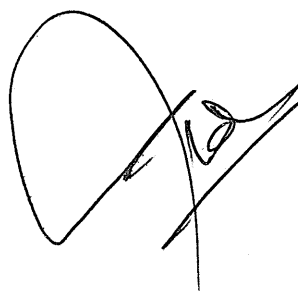

Name: Aslam Koomar
Director


Name:
Director

The notes on pages 11 to 27 form an integral part of the financial statements.
Independent auditor's report on pages 4 to 6.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
YEAR ENDED MARCH 31, 2020**

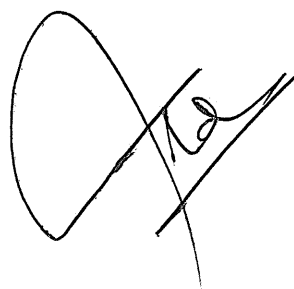
	<u>Notes</u>	<u>2020</u> Rs.	<u>Restated 2019</u> Rs.
INCOME			
Interest income		<u>3,697,708</u>	<u>3,586,626</u>
EXPENSES			
Administrative expenses		1,727,488	-
Professional fees		1,011,444	1,286,738
Bank charges		73,712	14,175
		<u>2,812,644</u>	<u>1,300,913</u>
Profit before foreign exchange		885,064	2,285,713
Net foreign exchange gain	13	<u>63,348,466</u>	<u>92,399,543</u>
Profit before finance costs		64,233,530	94,685,256
Net finance costs	14	<u>(15,625,771)</u>	<u>(13,294,888)</u>
Profit before taxation		48,607,759	81,390,368
Income tax expense	12	<u>(128,450)</u>	<u>-</u>
Profit for the year		48,479,309	81,390,368
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>48,479,309</u></u>	<u><u>81,390,368</u></u>



The notes on pages 11 to 27 form an integral part of the financial statements.
Independent auditor's report on pages 4 to 6.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

	Notes	Stated capital Rs.	Revenue deficit Rs.	Total equity Rs.
Balance at April 1, 2019				
- as previously reported		6,258,371,598	(5,111,824,230)	1,146,547,368
- effect of prior year adjustments	19	-	1,737,760,182	1,737,760,182
- as restated		<u>6,258,371,598</u>	<u>(3,374,064,048)</u>	<u>2,884,307,550</u>
Total comprehensive income:				
- Profit for the year		-	48,479,309	48,479,309
Balance at March 31, 2020		<u>6,258,371,598</u>	<u>(3,325,584,739)</u>	<u>2,932,786,859</u>
Balance at April 1, 2018				
- as previously reported		6,258,371,598	(4,991,250,610)	1,267,120,988
- effect of prior year adjustments	19	-	1,535,796,194	1,535,796,194
- as restated		<u>6,258,371,598</u>	<u>(3,455,454,416)</u>	<u>2,802,917,182</u>
Total comprehensive income:				
- Profit for the year		-	81,390,368	81,390,368
Balance at March 31, 2019		<u>6,258,371,598</u>	<u>(3,374,064,048)</u>	<u>2,884,307,550</u>



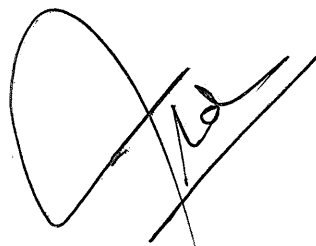
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Independent auditor's report on pages 4 to 6.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	<u>Notes</u>	<u>2020</u> Rs.	<u>2019</u> Rs.
Cash flows from operating activities			
Profit before taxation		48,607,759	81,390,368
<i>Adjustments for:</i>			
Interest income		(3,697,708)	(3,586,626)
Finance costs	14	15,625,771	13,294,888
Exchange difference		(63,254,183)	(92,358,492)
<i>Changes in working capital:</i>			
- Financial assets at amortised cost		3,219,190	-
- Prepayments		19,620	(20,157)
- Other payables		(406,385)	541,156
Net cash generated from/(used in) operating activities		<u>114,064</u>	<u>(738,863)</u>
Cash flows from investing activities			
Acquisition of subsidiary	5	<u>(288,130)</u>	-
Net cash used in investing activities		<u>(288,130)</u>	-
Net decrease in cash and cash equivalents		<u>(174,066)</u>	<u>(738,863)</u>
Movement in cash and cash equivalents			
At April 1,		824,920	1,563,783
Decrease		<u>(174,066)</u>	<u>(738,863)</u>
At March 31,	8	<u>650,854</u>	<u>824,920</u>

Non-cash transaction:

In the year ended March 31, 2019, the Company acquired investment in subsidiary company, namely 3i Infotech Netherlands LLC amounting to Rs.2,737,823 which has been paid fully by 3i Infotech (Middle East) FZ LLC, another subsidiary company.



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.

2.1 Basis of preparation

The financial statements of *3i Infotech Holdings Private Limited* comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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 except for relevant financial assets and liabilities which are stated at fair values.

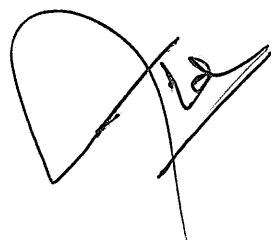
The financial statements have been prepared on a going concern basis, the validity of which depends on the assumption that the holding company will continue to financially support the Company. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The amendments have no impact on the Company's financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)*****Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)***

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2014-2016 Cycle

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2019 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

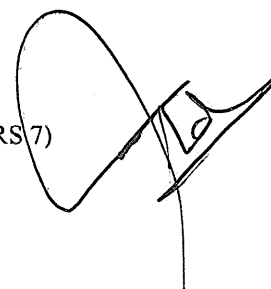
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Definition of a Business (Amendments to IFRS 3)

Definition of Material (Amendments to IAS 1 and IAS 8)

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)**

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.

2.3 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 Company does not present consolidated financial statements, as it is a wholly owned subsidiary of 3i Infotech Limited, a company incorporated in the India. Consequently, the Company has taken advantage of the exemption from consolidation as per IFRS 10 and in accordance with the Fourteenth Schedule (Section 12) of the Companies Act 2001.

2.10 Revenue recognition

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

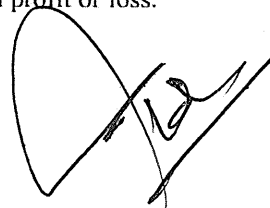
- Interest income is calculated by applying the effective interest rate to the gross amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial 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.

2.2 Foreign currencies**(i) Functional and presentation currency**

Items included in the financial statements are measured using Mauritian Rupees (Rs.), 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.



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.4 Financial assets**

The Company classified its financial assets as discussed below, depending on the purpose for which the asset was acquired.

Amortised cost

These types of financial assets are held in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

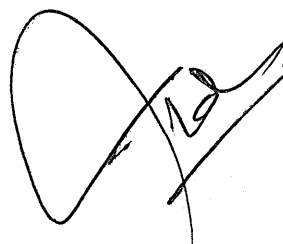
Impairment provisions for trade receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company's financial assets measured at amortised cost comprise loans and amounts receivables from related parties and cash and cash equivalents in the statement of financial position.

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

2.7 Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired. The Company's accounting policy for other financial liabilities is as follows:



2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.7 Financial liabilities (cont'd)**

Other financial liabilities include the following items:

- (i) The Company's redeemable preference shares are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- (ii) Other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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).

2.8 Provisions

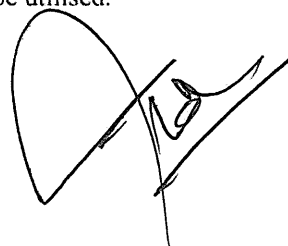
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

2.9 Deferred and current income tax*(i) Deferred income 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 profit will be available against which deductible temporary differences can be utilised.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.9 Deferred and current income tax (cont'd)***(ii) Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting date.

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.

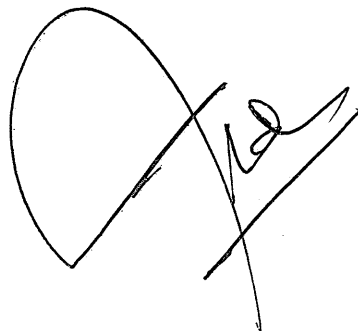
Mandatorily redeemable preference shares are classified as liabilities.

2.6 Borrowings

Borrowings are recognised at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as interest expense.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liabilities for at least twelve months after the end of reporting date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

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 riskCurrency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollar ("USD") and Euro ("EUR").

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets		Financial liabilities	
	2020	2019	2020	2019
	Rs.	Rs.	Rs.	Rs.
USD	4,521,321,691	3,893,872,640	1,011,964,989	2,645,911,932
EUR	-	-	3,092,113,609	879,056,864
	<u>4,521,321,691</u>	<u>3,893,872,640</u>	<u>4,104,078,598</u>	<u>3,524,968,796</u>

The above currency profile excludes prepayments amounting to Rs.76,690 (2019: Rs.96,310) from financial assets and current tax liabilities Rs. 128,450 (2019: Rs. Nil)

Sensitivity analysis

At March 31, 2020 and 2019, if the Mauritian Rupee (Rs.) had weakened/strengthened by 5%, against USD and Euro with all other variances held constant, pre-tax results would have changed as follows:

	2020	2019
	Rs.	Rs.
USD	175,467,835	62,398,035
EUR	<u>(154,605,680)</u>	<u>(43,952,843)</u>

Cash flow and fair value interest rate risk

As the Company's interest-bearing assets bear fixed interest rate and has borrowings and other payables which bear fixed interest rate at the reporting date, its income and operating cash flows are substantially independent of changes in market interest rates.

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 subsidiary companies and loan receivable granted to its subsidiary companies amounting to Rs.391m (2019: Rs.336m) and Rs.80m (2019: Rs.77m) respectively. This amount excludes share application monies on investment as shown in note 6.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

3. FINANCIAL RISK MANAGEMENT (CONT'D)

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

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company aims at maintaining flexibility in funding through support from the holding company.

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	More than 1 year
	Rs.	Rs.
At March 31, 2020		
Redeemable convertible preference share capital	-	3,405,509,898
Premium payable on conversion of redeemable preference shares	-	697,723,475
Other payables	<u>845,225</u>	<u>-</u>
At March 31, 2019		
Redeemable convertible preference share capital	-	3,016,850,473
Premium payable on conversion of redeemable preference shares	-	506,844,450
Other payables	<u>1,273,873</u>	<u>-</u>

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.

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, 2020 and 2019 were as follows:

	2020	2019
	Rs.	Rs.
Total debts (note 10(a) and (b))	4,103,233,373	3,523,694,923
Less: cash and cash equivalents (note 8)	(650,854)	(824,920)
Net debts	<u>4,102,582,519</u>	<u>3,522,870,003</u>
Total equity	<u>2,932,786,859</u>	<u>2,884,307,550</u>
Debt-to-capital ratio	<u>1.40:1</u>	<u>1.22:1</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) Impairment of investment in subsidiary companies

The Company follows the guidance of IAS 36 on determining when an investment are other-than-temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

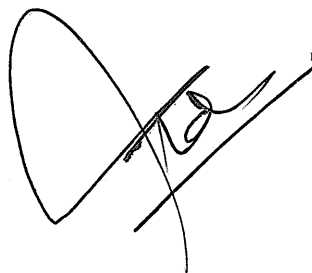
(b) Impairment of financial assets

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 impairment 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.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5. INVESTMENT IN SUBSIDIARY COMPANIES

	2020 Rs.	Restated 2019 Rs.
At start		
- as previously reported	4,794,365,570	4,791,627,747
- prior year adjustments (note 19(a)(i))	(2,524,029,054)	(2,524,029,054)
- as restated	2,270,336,516	2,267,598,693
Additions	288,130	2,737,823
At end	2,270,624,646	2,270,336,516

(a) The subsidiary companies are as follows:

Name of company	Line of business	Country of incorporation	Year ended	Class of shares held	% holding	
					March 31	2019
3i Infotech Inc	IT Services and Staffing Services	USA	March 31	Class A & B - Ordinary	100%	100%

The directors have reviewed the carrying value of the Company's interest in the subsidiary company for 4,250,365,250 (Class A & B) at the end of the reporting date and considered that there is no indication of additional impairment. The impairment to date amounts to Rs.2,506,173,198.

Name of company	Line of business	Country of incorporation	Year ended	Class of shares held	% holding	
					March 31	2019
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%	100%

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.

Name of company	Line of business	Country of incorporation	Year ended	Class of shares held	% holding	
					March 31	2019
3i Infotech (South Africa) Proprietary Limited	IT services	South Africa	March 31	Ordinary	100%	100%

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

5. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(iv)	Name of company	Line of business Holding of investments	Country of incorporation	Year ended March 31	Class of shares held	% holding	
						2020	2019
	3i Infotech (Cyprus) Limited		Cyprus		Ordinary	100%	100%

The investment of Rs.1,280,595,427 in 3i Infotech (Middle East) FZ LLC has been fully impaired as at March 31, 2020.

(v)	Name of company	Line of business IT services	Country of incorporation	Year ended March 31	Class of shares held	% holding	
						2020	2019
	3i Infotech Software Solution LLC		United Arab Emirates		Ordinary	100%	100%

(a) During the year 2019, the Company has acquired 49% of 3i Infotech Software Solution LLC. With a view of carrying business in Dubai, the Company has also paid for the other 51% held by Almuftah Commercial Brokerage, and the latter has assigned all the rights and benefits of the said 51% shares to the Company, and irrevocably pledged those shares to the Company. As a result, the Company has accounted for 100% of the cost of the investment.

(b) 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 Software Solution LLC is Rs.2,737,823.

(vi)	Name of company	Line of business Computer Programming, IT Consultance and IT Enabled Services	Country of incorporation	Year ended March 31	Class of shares held	% holding	
						2020	2019
	3i Infotech Nigeria		Nigeria		Class A - Ordinary	100%	-

(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. The investment in 3i Infotech Nigeria is Rs.966,900.

(vii)	Name of company	Line of business IT services	Country of incorporation	Year ended March 31	Class of shares held	% holding	
						2020	2019
	3i Infotech Netherlands BV		Netherlands		Class A - Ordinary	100%	-

(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. The investment in 3i Infotech Netherlands BV is Rs.3,527.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

6. SHARE APPLICATION MONIES ON INVESTMENTS	2020 Rs.	2019 Rs.
At start, and at end	<u>244,970,880</u>	<u>244,970,880</u>
The share application monies in respect of the year ended March 31, 2013 is as follows:		
	2020 Rs.	2019 Rs.
3i Infotech Inc.	214,349,520	214,349,520
3i Infotech (Middle East) FZ LLC	30,621,360	30,621,360
	<u>244,970,880</u>	<u>244,970,880</u>
	2020 Rs.	Restated 2019 Rs.
At start		
- as previously reported	353,513,070	457,278,575
- prior year adjustments (note 19(ii))	3,539,534,650	3,233,777,768
- as restated	<u>3,893,047,720</u>	<u>3,691,056,343</u>
Premium receivable for the year (note 14)	109,906,244	94,487,966
Foreign exchange gain (note 13)	517,240,515	106,654,609
Interest income	476,358	848,802
At end (note 7(a) and (b))	<u>4,520,670,837</u>	<u>3,893,047,720</u>
(a) Non current		
Redeemable convertible preference shares (Note 7(a)(i) & 19(a)(ii))	3,183,112,110	2,809,821,185
Premium receivable on conversion of preference redeemable shares (Note 7(a)(ii) & 19(ii))	803,071,062	611,875,775
	<u>3,986,183,172</u>	<u>3,421,696,960</u>
(i) Redeemable convertible preference shares	2020 Rs.	Restated 2019 Rs.
3i Infotech Inc		
Series B - Preference shares	825,730,030	728,894,758
Series C - Preference shares	2,357,382,080	2,080,926,427
	<u>3,183,112,110</u>	<u>2,809,821,185</u>
(ii) Premium receivable on conversion of preference redeemable shares	2020 Rs.	Restated 2019 Rs.
3i Infotech Inc		
Series B - Preference shares	201,181,118	153,344,223
Series C - Preference shares	601,889,944	458,531,552
	<u>803,071,062</u>	<u>611,875,775</u>
(b) Current	2020 Rs.	Restated 2019 Rs.
Receivables from subsidiary companies (Note 15 & 20(a)(iii))	471,302,434	412,434,321
Loan to holding company (Note 15 & 20(a)(iii))	63,185,231	58,916,439
	<u>534,487,665</u>	<u>471,350,760</u>
	<u>4,520,670,837</u>	<u>3,893,047,720</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

7. FINANCIAL ASSETS AT AMORTISED COST (CONT'D)

- (ii) The carrying amounts of the financial assets at amortised cost are denominated in USD.
- (iii) The total amount due from subsidiary companies of Rs. 471,302,434 (2019: Rs. 412,434,321) represents management's best estimates of the amounts expected to be recoverable as at March 31,
- (iv) Out of the receivables from subsidiary companies, Rs. 80,187,084(2019: Rs. 76,489,376) bear interest at 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.

8. CASH AND CASH EQUIVALENTS

	2020	2019
	Rs.	Rs.
Cash at bank	<u>650,854</u>	<u>824,920</u>

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

9. STATED CAPITAL

	2020 & 2019	
	Number of shares	Shares of no par value Rs.
At start, and at end,	<u>6,258,371,598</u>	<u>6,258,371,598</u>

The shareholder has pledged all the shares held in the Company in favour of IDBI Trusteeship Services Limited pursuant to a Second Amendment To Share Pledge Agreement dated May 8, 2014.

10. REDEEMABLE CONVERTIBLE PREFERENCE SHARES

	2020	2019
	Rs.	Rs.
(a) At April 1,	3,016,850,474	3,004,430,075
Foreign exchange loss (note 13)	388,659,424	12,420,398
At March 31, (note 15)	<u>3,405,509,898</u>	<u>3,016,850,473</u>

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

	2020 & 2019	
	Number of shares	
Series A (denominated in EUR)	891,631,605	891,631,605
Series C (denominated in USD)	1,780,361,142	1,780,361,142
Series D (denominated in USD)	21,878,720	21,878,720
At March 31,	<u>2,693,871,467</u>	<u>2,693,871,467</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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

10. REDEEMABLE CONVERTIBLE PREFERENCE SHARES (CONT'D)

(iv) The Company shall mandatorily redeem all the shares in each series for cash as below:

Class of Preference 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.

(b) Premium payable on conversion of preference redeemable shares

	2020 Rs.	Restated 2019 Rs.
At start		
- as previously reported	1,229,099,036	1,223,233,357
- prior year adjustments (note 19(iii))	(722,254,586)	(826,047,480)
- as restated	506,844,450	397,185,877
Premium payable for the year (note 14)	125,532,015	107,782,854
Foreign exchange loss (note 13)	65,347,010	1,875,719
At end (note 10(i))	697,723,475	506,844,450

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

	2020 Rs.	Restated 2019 Rs.
Series A	168,452,988	123,752,864
Series C	526,853,248	381,324,842
Series D	2,417,239	1,766,744
	697,723,475	506,844,450

11. OTHER PAYABLES

	2020 Rs.	Restated 2019 Rs.
Accruals	838,535	1,273,873
Others	6,690	-
	845,225	1,273,873

12. INCOME TAX EXPENSE

	2020 Rs.	2019 Rs.
(a) Current tax on the adjusted profit for the year at 15% (2019: 15%)	128,450	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

12. INCOME TAX EXPENSE (CONT'D)

- (b) 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:

	2020	2019
	Rs.	Rs.
Profit/(loss) before taxation	48,607,759	(120,573,621)
Tax calculated at the rate of 15% (2019: 15%)	7,291,164	(18,086,043)
Expenses not allowable for tax purposes	2,380,077	20,418,866
Other deductible items	(9,485,113)	(1,983,508)
Utilisation of tax losses brought forward	(57,678)	(349,315)
Tax charge	<u>128,450</u>	<u>-</u>

As at March 31, 2020, 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 (2019: Rs.384,521).

13. NET FOREIGN EXCHANGE GAIN

	2020	Restated 2019
	Rs.	Rs.
Foreign exchange gain on financial assets at amortised cost (note 7)	517,240,515	106,654,609
Foreign exchange loss on redeemable convertible preference shares (note 10(a))	(388,659,424)	(12,420,398)
Foreign exchange loss on premium payable on conversion of preference redeemable shares (note 10(b))	(65,347,010)	(1,875,719)
Other foreign gains	114,385	41,051
At March 31 (note 19(b)(ii))	<u>63,348,466</u>	<u>92,399,543</u>

14. NET FINANCE COSTS

	2020	Restated 2019
	Rs.	Rs.
Premium receivable on conversion of preference redeemable shares (note 7)	109,906,244	94,487,966
Premium payable on conversion of preference redeemable shares (note 10(b))	(125,532,015)	(107,782,854)
	<u>(15,625,771)</u>	<u>(13,294,888)</u>

15. RELATED PARTY TRANSACTIONS

The related party transactions during the years ended March 31, 2020 and 2019, are as follows:

	2020	2019 - restated
	(Payables)/ receivables	(Payables)/ receivables
	Rs.	Rs.
(i) <u>Holding company</u>		
Redeemable preference shares (Note 10(a))	(3,405,509,898)	(3,016,850,473)
Premium payable on redemption of redeemable preference shares (Note 10(b))	(697,723,475)	(506,844,450)
Amount receivable (Note 7)	<u>63,185,231</u>	<u>58,916,439</u>

- (a) The movements during the year represent mainly foreign exchange gain on translation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

15. RELATED PARTY TRANSACTIONS (CONT'D)

	2020	2019 - restated
	Receivables	Receivables
	Rs.	Rs.
(ii) <u>Subsidiary companies</u>		
Preference shares (Note 7(a))	3,183,112,110	2,809,821,185
Accrued interest income (Note 7(a))	803,071,062	611,875,775
Amount receivable (Note 7(b))	391,115,350	335,944,945
Loans receivable (Note 7(b))	<u>80,187,084</u>	<u>76,489,376</u>

(b) Terms and conditions of transactions with related parties

- (i) Outstanding balances at the year-end are unsecured and interest-free except for the loans receivable 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, 2020, the Company has not recorded any impairment with respect to amounts owed by related parties (2019: 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 and 10.
- (v) The above transactions have been made on normal commercial terms and in the ordinary course of business.

16. HOLDING COMPANY

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

17. CONTINGENT LIABILITIES

There were no contingent liabilities as at March 31, 2020.

18. EVENTS AFTER THE REPORTING DATE

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

At this point, the Company cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, financial position and cash flows.

19. PRIOR YEAR ADJUSTMENTS

- (a) The effects on the statements of financial position are as follows:

	Restated 2019	Restated 2018
	Rs.	Rs.
- reclassification of Redeemable Preference Shares from investment in subsidiary company to financial assets at amortised cost (note 5)	(2,524,029,054)	(2,524,029,054)
- financial assets at amortised cost/other receivables (note 19(ii))	3,539,534,650	3,233,777,768
- premium payable on conversion of Redeemable Preference Shares (note 19(iii))	722,254,586	826,047,480
	<u>1,737,760,182</u>	<u>1,535,796,194</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

19. PRIOR YEAR ADJUSTMENTS (CONT'D)

(ii) Financial assets at amortised cost/other receivables	2019	2018
	Rs.	Rs.
- reclassification of Redeemable Preference Shares from investment in subsidiary company to financial assets at amortised cost (note 5)	2,524,029,054	2,524,029,054
- foreign exchange gain on Redeemable Preference Shares for previous years	206,889,651	206,889,651
- foreign exchange gain on Redeemable Preference Shares for year 2019 (note 19(iii))	78,902,479	-
- premium receivable for prior years on conversion of Redeemable Preference Shares	502,859,063	502,859,063
- premium receivable for the year 2019 on conversion of Redeemable Preference Shares (note 14)	94,487,966	-
- foreign exchange gain on Premium receivable on Redeemable Preference Shares (note 13)	14,528,747	-
- reversal of impairment of financial assets	117,837,690	-
	<u>3,539,534,650</u>	<u>3,233,777,768</u>

(iii) Premium payable on conversion of redeemable preference shares

	2019	2018
	Rs.	Rs.
- adjustment on premium payable in respect of Redeemable Preference Shares	826,047,480	826,047,480
- premium payable for the year 2019 on conversion of Redeemable Preference Shares (note 14)	(107,782,854)	-
- foreign exchange loss on premium payable on conversion of Redeemable Preference Shares (note 19 (b)(ii))	3,989,960	-
	<u>722,254,586</u>	<u>826,047,480</u>

(b) The effects on the statements of profit or loss and other comprehensive income are as follows:

(i)	2019
	Rs.
Increase in net finance costs (note 14)	(13,294,889)
Reversal of impairment losses on financial assets (note 19(a)(ii))	117,837,690
Increase in net foreign exchange gain (note 19b(ii))	97,421,187
Increase in profit for the year	<u>201,963,988</u>

(ii) Net foreign exchange gain

	2019
	restated
	Rs.
Balance as reported at April 1,	
- as previously stated	<u>(5,021,643)</u>
- foreign exchange gain on Redeemable convertible preference shares (financial asset at amortised cost) (note 19(ii))	78,902,479
- foreign exchange gain on premium receivable on conversion of preference redeemable shares (note 19(ii))	14,528,747
- foreign exchange gain on reversal of excess premium payable on conversion of redeemable preference shares (note 19(a)(iii))	3,989,960
	<u>97,421,186</u>
- as restated (note 13)	<u>92,399,543</u>

