



Independent Auditor's Report

To the Board of Directors of M Holdco3 Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of M Holdco3 Limited ('the Company') which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. These financial statements have been prepared by management in accordance with the financial reporting requirements as set forth in note 2 to the Financial Statements.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, results of operations including (other comprehensive income), cash flows and changes in equity of the Company. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.



6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view, in conformity with the financial reporting requirements as set forth in note 2 to the Financial Statements of the state of affairs (financial position) of the Company as at 31 March 2021, and the profit of the Company (financial performance including other comprehensive income), the cash flows of the Company and changes in equity of the Company for the year ended on that date.

Basis of Accounting and Restriction on Distribution and Use

8. We draw attention to note 2 to the financial statements, which describe the basis of preparation. These financial statements have been prepared by management of the Company solely for the purpose of submission to of Annual Performance Report in accordance with the requirement of Regulation 13 of Notification No. FEMA.120/RB-2004 dated 07 July 2004, issued by the Reserve Bank of India in accordance with the financial reporting requirements as set forth in the aforesaid note. Accordingly, these financial statements may not be suitable for any other purpose. Our report is intended solely for the aforesaid mentioned purposes and should not to be used, circulated, quoted, or otherwise referred to for any other purpose without our prior written consent.

For **Sumit Mohit & Company**
Chartered Accountants
Firm's Registration No.: 021502N



Sumit Garg
Partner
Membership No.: 506945

Place: New Delhi
Date: April 21, 2021
UDIN: 21506945AAAAGC4381

M HOLDCO3 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Statement of financial position
As at 31 March 2021

	Notes	31 March 2021 USD	31 March 2020 USD
ASSETS			
Non-current assets			
Investment in joint venture		-	-
Current assets			
Amount receivable from related party	10	215,003	215,003
Prepayments		1,246	1,246
Cash and cash equivalents		-	99
Total current assets		216,249	216,348
TOTAL ASSETS		216,249	216,348
EQUITY AND LIABILITIES			
Equity			
Share capital	7	2,423	2,423
Other reserve		-	-
Retained earnings		195,846	205,962
Total equity		198,269	208,385
Liabilities			
Non-current liabilities			
Amount due to holding company	9	13,578	4,068
Total non-current liabilities		13,578	4,068
Current liabilities			
Accruals		4,402	3,895
Total liabilities		17,980	7,963
TOTAL EQUITY AND LIABILITIES		216,249	216,348

These financial statements have been authorised for issue by the Board of Directors on and signed on its behalf by:

Shariff Golam Hossen

Ashley Jean-Pascal L'Eveque

The accompanying notes on page 12 to 31 form part of these financial statements.



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Statement of profit or loss and other comprehensive income
For the year ended 31 March 2021

	Notes	31 March 2021 USD	31 March 2020 USD
Revenue			
Interest on fixed deposit		-	-
Expenses			
Loss on disposal of investment in joint venture		-	4,089,662
Audit fees		2,492	3,420
Accounting fees		2,598	2,600
Licence fees		2,325	2,275
Annual fees		1,500	1,500
Administrative fees		1,000	751
Disbursements		-	310
Tax residence fees		200	200
Bank charges		-	166
Professional fees		1	58
Realised foreign exchange loss		-	-
Total expenses		10,116	4,100,942
Loss from operations		(10,116)	(4,100,942)
Share of profit of joint venture		-	1,618,430
Loss before tax		(10,116)	(2,482,512)
Income tax expense	8	-	-
Loss for the year		(10,116)	(2,482,512)
Other comprehensive income			
Share of other comprehensive income of joint venture		-	-
Total comprehensive income for the year		(10,116)	(2,482,512)

The accompanying notes on page 12 to 31 form part of these financial statements.



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Statement of changes in equity
For the year ended 31 March 2021

	Share capital	Fair value reserve	Other reserve	Retained earnings	Total
	USD	USD	USD	USD	USD
At 01 April 2020	6,413	-	59,744,360	6,119,992	55,870,765
<i>Transactions with owner of the Company</i>					
Dividend paid	-	-	-	(63,179,868)	(63,179,868)
Capital reduction	(3,990)	-	-	3,990	-
Total transactions with owner of the Company	(3,990)	-	-	(63,175,878)	(63,179,868)
Transfer to retained earnings	-	-	-	-	-
Loss for the year	-	-	(59,744,360)	59,744,360	(2,482,512)
<i>Other comprehensive income</i>	-	-	-	(2,482,512)	(2,482,512)
Total comprehensive income for the year	-	-	(59,744,360)	57,261,848	(2,482,512)
31 March 2020	2,423	-	-	205,962	208,385
Transactions with owner of the Company					
Dividend paid	-	-	-	-	-
Capital reduction	-	-	-	-	-
Total transactions with owner of the Company	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Loss for the year	-	-	-	(10,116)	(10,116)
Total comprehensive income for the year	-	-	-	(10,116)	(10,116)
At 31 March 2021	2,423	-	-	195,846	198,269

The accompanying notes on page 12 to 31 form part of these financial statements.



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Statement of cash flows
For the year ended 31 March 2021

	<u>31 March 2021</u>	<u>31 March 2020</u>
	USD	USD
Cash flows from operating activities		
Loss/ profit before tax	(10,116)	(2,482,512)
<i>Adjustments for:</i>		
Loss on disposal on investment in joint venture	-	4,089,662
Share of profit in joint venture	-	(1,618,430)
Expenses paid on behalf of the Company	-	11,528
	(10,116)	248
Changes in working capital:		
Changes in prepayments	-	(27)
Changes in accruals	507	(394)
Net cash used in operating activities	(9,609)	(173)
Cash flows from investing activity		
Proceeds from disposal of investment in joint venture	-	95,394,843
Net cash from investing activity	-	95,394,843
Cash flows from financing activities		
Payment on redemption of preference shares	-	(32,197,000)
Amount repaid to holding company	-	(17,975)
Amount received from holding company	9,510	272
Dividend payment	-	(63,179,868)
Net cash used in financing activities	9,510	(95,394,571)
Net movement in cash and cash equivalents	(99)	99
Cash and cash equivalents at start of year	99	-
Cash and cash equivalents at end of year	-	99

The accompanying notes on page 12 to 31 form part of these financial statements.



M HOLDCO3 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Notes to the financial statements

1. General information

M Holdco3 Limited (the “Company”) was incorporated as a private company limited by shares in Mauritius on 07 November 2007. It holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company has received its Category 1 Global Business Licence (“GBL1”) before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 (“FA 2018”). As from 1st July 2021, the Company’s GBL1 Licence will be automatically converted to a Global Business Licence (“GBL”)

The Company’s registered office is at 5th Floor, Ebène Esplanade, 24 Cybercity, Ebène, Mauritius.

The principal activity of the Company is that of investments holding.

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standard Board (“IASB”) and in compliance with the requirements of the Mauritius Companies Act.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except that financial instruments are carried at amortised cost.

(c) Functional and presentation currency

The financial statements have been presented in United States Dollar (USD) which is the Company’s functional currency.

2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

During the year under review, the following standards were effective. However, there was no significant impact on the financial statements.

New or revised Standards	Effective for accounting period beginning on or after
Amendments to IFRS 9 Prepayment Features with Negative Compensation	01 April 2020
Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	01 April 2020
Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	01 April 2020
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement	01 April 2020
IFRIC 23 Uncertainty over Income Tax Treatments	01 April 2020
IFRS 16 Leases	01 April 2020



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Notes to the financial statements

3. Significant accounting policies

The principal accounting policies adopted are as follows:

(a) Revenue recognition

Revenue is recognised on the following bases:

Dividend income is recognised when the shareholder's right to receive payment is established.

Bank interest and other interest income are recognised on an accrual basis using the effective interest method.

(b) Income tax expense

Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of prior years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.



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Notes to the financial statements

3. Significant accounting policies (continued)

(b) Income tax expense (continued)

Deferred tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Expenses

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

(d) Foreign currency transactions

The financial statements are presented in USD (presentation currency) which is also the currency of the primary economic environment in which the Company operates (functional currency). The Company determines its own functional currency and items included in the financial statements of the Company are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the entity at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on settlement or retranslation of monetary items are taken to profit or loss.



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Notes to the financial statements

3. Significant accounting policies (continued)

(d) Foreign currency transactions (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(e) Financial instruments

(i) Recognition and initial measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement and gains and losses

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and



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Notes to the financial statements

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

(ii) Classification and subsequent measurement and gains and losses (continued)

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.



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Notes to the financial statements

3. Significant accounting policies (continued)

(e) *Financial instruments (continued)*

(ii) *Classification and subsequent measurement and gains and losses (continued)*

Financial assets – Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



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Notes to the financial statements

3. Significant accounting policies (continued)

(e) *Financial instruments (continued)*

(ii) Classification and subsequent measurement and gains and losses (continued)

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.
Equity investment at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) *Derecognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligation is discharged or cancelled, or expires. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.



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Notes to the financial statements

3. Significant accounting policies (continued)

(e) *Financial instruments (continued)*

(iii) *Derecognition (continued)*

Offsetting financial instruments

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

Income and expenses are presented on a net basis only when permitted under IFRSs, for example, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

Fair value measurement principles

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

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

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

(f) *Stated Capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

(g) *Related parties*

For the purposes of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individuals or other entities.



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Notes to the financial statements

3. Significant accounting policies (continued)

(h) Impairment

Non-derivative financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

4. Changes in accounting policies

4.1 New standards, amendments and interpretations adopted during the year

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:



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Notes to the financial statements

4. Changes in accounting policies (Continued)

4.1 New standards, amendments and interpretations adopted during the year (Continued)

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

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The IASB has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. Since the refinements are not intended to alter the concept of materiality, there were no changes to the financial statements.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2019, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. There was no impact on the financial statements.

Definition of a Business (Amendments to IFRS 3)

Defining a business is important because the financial reporting requirements for the acquisition of a business are different from the requirements for the purchase of a group of assets that does not constitute a business. The proposed amendments are intended to provide entities with clearer application guidance to help distinguish between a business and a group of assets when applying IFRS 3.



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Notes to the financial statements

4. Changes in accounting policies *(continued)*

4.1 New standards, amendments and interpretations adopted during the year *(Continued)*

Definition of a Business *(Amendments to IFRS 3) (Continued)*

In October 2019 the IASB issued this amendment to make it easier for companies to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments:

- Confirm that a business must include inputs and a process and clarified that: (i) the process must be substantive and (ii) the inputs and process must together significantly contribute to creating outputs.
- Narrow the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- Add a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

There was no impact on the financial statements.

4.2 New standards, interpretations and amendments issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the “10 per cent test” for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

The standard is not expected to have a material impact on the Company’s financial statement.

Classification of liabilities as current or non-current *(Amendments to IAS 1)*

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.



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Notes to the financial statements

4. Changes in accounting policies (*continued*)

4.2 New standards, interpretations and amendments issued but not yet effective (*continued*)

Annual Improvements to IFRS Standards 2018-2020 (Continued)

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. In light of the COVID-19, management has made an assessment in respect of the entity's going concern and concluded that there is no issue for which the Company will no longer be going concern.

Determination of functional currency

The primary objective of the Company is to generate returns in USD, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD. The Company's performance is evaluated in USD. Therefore, management considers USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.



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6. Financial assets at fair value through other comprehensive income

Pursuant to the Framework Agreement dated 28 March 2019, it has been decided to reclassify the investment in Indiabulls Real Estate Company Private Limited from Financial assets at fair value through other comprehensive income to Investment in joint Venture because:

- Valuation determined at INR 95 billion and total consideration as 50% of adjusted valuation
- 50% shareholding rights over the investee companies IPPL and IRECPL vested with the investor
- There were no special rights attached to shareholding of seller or buyer to give any preference in decision making / control
- The board of IPPL and IRECPL was reconstituted to give investor equal representation on the Board.

7. Share capital

	31 March	31 March
	2021	2020
	USD	USD
<u>Issued and fully paid</u>		
At start of year (6,413 ordinary shares of USD 1 each)	2,423	6,413
Capital reduction	-	(3,990)
At end of year (2,423 ordinary shares of USD 1 each)	2,423	2,423

8. Income tax expense

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2019: 15%). The Company has received its Category 1 Global Business Licence (“GBL1”) before 16th October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 (“FA 2018”). As from 1st July 2021, the Company’s GBL1 Licence will be automatically converted to a Global Business Licence (“GBL”). The Company will therefore operate under the current tax regime up to 30th June 2021.

Until 30th June 2021, the Company’s foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all its foreign sourced income.

Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions.



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8. Income tax expense (Continued)

Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

The tax expense for the year is reconciled as follows:

	31 March 2021	31 March 2020
	USD	USD
Loss before tax	(10,116)	(2,482,512)
Income tax at 15%	(1,517)	(372,377)
Income not subject to tax	-	(242,765)
Non allowable expenses	-	613,449
Foreign tax credit	1,214	1,354
Deferred tax asset not recognised	303	339
Income tax expense	-	-

No provision for income tax has been made in the accounts for the year under review as the Company has accumulated tax losses amounting to **USD 41,414** as at 31 March 2021 (2020: USD 38,930). The tax losses are available to set off against future taxable profit as follows:

Tax loss for the year	Amount	Accumulated tax losses available for offset	
	USD	Year ending	USD
31-Mar-21	10,116	31-Mar-26	10,116
31-Mar-20	11,280	31-Mar-25	21,396
31-Mar-19	10,483	31-Mar-24	31,879
31-Mar-18	-	31-Mar-23	31,879
31-Mar-17	9,535	31-Mar-22	41,414
	41,414		

Deferred taxation

Deferred tax assets amounting to USD **1,242** (2020: USD 1,168) have not been recognised in the financial statements based on the Company's accounting policy for recognition of deferred tax.



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9. Related party disclosures

During the year under review, the Company transacted with its related entity. The nature, volume of transactions and balances with the entities at reporting date are as follows:

i. Amount receivable from M Holdco1 Limited, the holding entity

At year ended 31 March 2021, the Company disposed its entire investment in Indiabulls Real Estate Company Private Limited and an amount of USD 215,003 is receivable from the holding company.

ii. Amount due to M Holdco1 Limited, the holding entity

	31 March 2021	31 March 2020
	USD	USD
At 01 April	4,068	10,243
Expenses paid on behalf of the Company	2,665	11,528
Advance received during the year	6,845	272
Repayment made during the year	-	(17,975)
At 31 March	13,578	4,068

The amount due to the holding company is unsecured, interest-free and is repayable in a manner to be mutually agreed. Therefore, the amount due to the holding company has been classified as a non-current liability in the financial statements.

iii. International Proximity, the Management Company

The Company has incurred an amount of USD **7,126** (2020: USD 2,551) in favour of International Proximity for professional services rendered. The amount owed to International Proximity by the Company at the reporting date was USD **2,025** (2020: USD 2,084).

The related party transactions have been carried out at arm's length and in the normal course of business.

10. Financial instruments and associated risks

The Company has exposure to the following risk from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Board of directors has the overall responsibility for the determination of the Company's risk management objectives and policies.



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10. Financial instruments and associated risks (continued)

The Company's overall risk management policies focuses on the volatility of financial markets and seeks to minimise potential adverse effects on the Company's financial performance and flexibility.

The Company's financial instruments comprise of amount receivable from related party, cash and cash equivalents, redeemable preference shares, amount due to holding company and accruals.

The Company held no derivative instruments during the year ended 31 March 2020.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's financial assets are non-interest earning and financial liabilities are non-interest bearing. As a result, the Company is not subject to significant amounts of risk due to fluctuations in prevailing levels of market interest rates.

Currency risk

The Company does not have any financial assets and liabilities which are denominated in foreign currencies. Consequently, the Company is not exposed to foreign currency fluctuations.

Price risk

The Company is not exposed to price risk as it has no assets which are likely to be affected by fluctuation in market prices.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in financial loss to the Company. The Company's credit risk arises from amount receivable from related party and cash and cash equivalents. The Company's policy is to maintain its cash balance with reputed banking institutions and to monitor the placement of cash balances on an ongoing basis. The Company also limits its credit exposure by transacting with its related parties.



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10. Financial instruments and associated risks (continued)

Credit risk (continued)

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

	31 March 2021	1 March 2020
	USD	USD
Carrying value		
Amount receivable from related party	215,003	215,003
Cash and cash equivalents	-	99
	-----	-----
	215,003	215,102
	=====	=====

Expected Credit Loss ("ECL")

The amount receivable from related party is considered to be recoverable by management since the counterparties have a strong capacity to meet their contractual obligations in the near term. Management assessed the possibility of default to be close to zero and as a result, no loss allowance was recognised.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk and the identical impairment loss is immaterial.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity management is overseen by the directors who ensure that necessary funds are available at all times to meet commitments.



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10. Financial instruments and associated risks (continued)

The following are the contractual maturities of financial liabilities:

	Repayable on demand USD	Repayable less than 1 year USD	Repayable more than 1 year USD	Total USD
31 March 2021				
Financial liabilities				
Amount due to holding company	-	-	13,578	13,578
Accruals	-	4,402	-	4,402
Total financial liabilities	-	4,402	13,578	17,980
31 March 2020				
<i>Financial liabilities</i>				
Amount due to holding company	-	-	4,068	4,068
Accruals	-	3,895	-	3,895
<i>Total financial liabilities</i>	-	3,895	4,068	7,963

Fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities.

	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
31 March 2021			
<i>Financial assets not measured at fair value</i>			
Amount receivable from related party	215,003	-	215,003
Cash and cash equivalents	-	-	-
<i>Total financial assets not measured at fair value</i>	215,002	-	215,002
<i>Financial liabilities not measured at fair value</i>			
Amount due to holding company	-	13,578	13,578
Accruals	-	4,402	4,402
<i>Total financial liabilities not measured at fair value</i>	-	17,980	17,980



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11. Financial instruments and associated risks (continued)

31 March 2020	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<i>Financial assets not measured at fair value</i>			
Amount receivable from related party	215,003	-	215,003
Cash and cash equivalents	99	-	99
	-----	-----	-----
<i>Total financial assets not measured at fair value</i>	215,102	-	215,102
	=====	=====	=====
<i>Financial liabilities not measured at fair value</i>			
Amount due to holding company	-	4,068	4,068
Accruals	-	3,895	3,895
	-----	-----	-----
<i>Total financial liabilities not measured at fair value</i>	-	7,963	7,963
	=====	=====	=====

12. Capital risk management

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

13. Holding and ultimate holding entities

The directors regard M Holdco1 Limited, a company incorporated in Mauritius, and having its registered address at 5th Floor Ebene Esplanade, 24 Cybercity, Ebene, Mauritius as the Company's holding company. The Company's ultimate holding entity is Indiabulls Properties Investment Trust, a business trust incorporated in Singapore.

14. Events after the reporting date

There have been no other material events after the reporting date which would require disclosure or adjustments to the financial statements for the year ended 31 March 2021.



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15. Impact of the Covid-19 Pandemic

The novel coronavirus (COVID-19) pandemic continues to spread rapidly across the globe. The outbreak was identified first in China towards of end December 2019 and on March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization.

COVID-19 has taken its toll on not just human life, but business and financial markets too, the extent of which is dependent on a number of factors, including the formulation of a viable vaccine and governments' response to combat the spread of the virus in the intervening period. This event is a significant event considering the spread of virus all over the world and the situation of lock-down in Mauritius during the month of March 2020 and period subsequent to that.

Due to this significant event, there could be low to severe direct and indirect effects developing with companies across multiple industries and the world. The Company will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

Hence, it is considered that there is no material adverse impact of COVID-19 on the financial statements.

