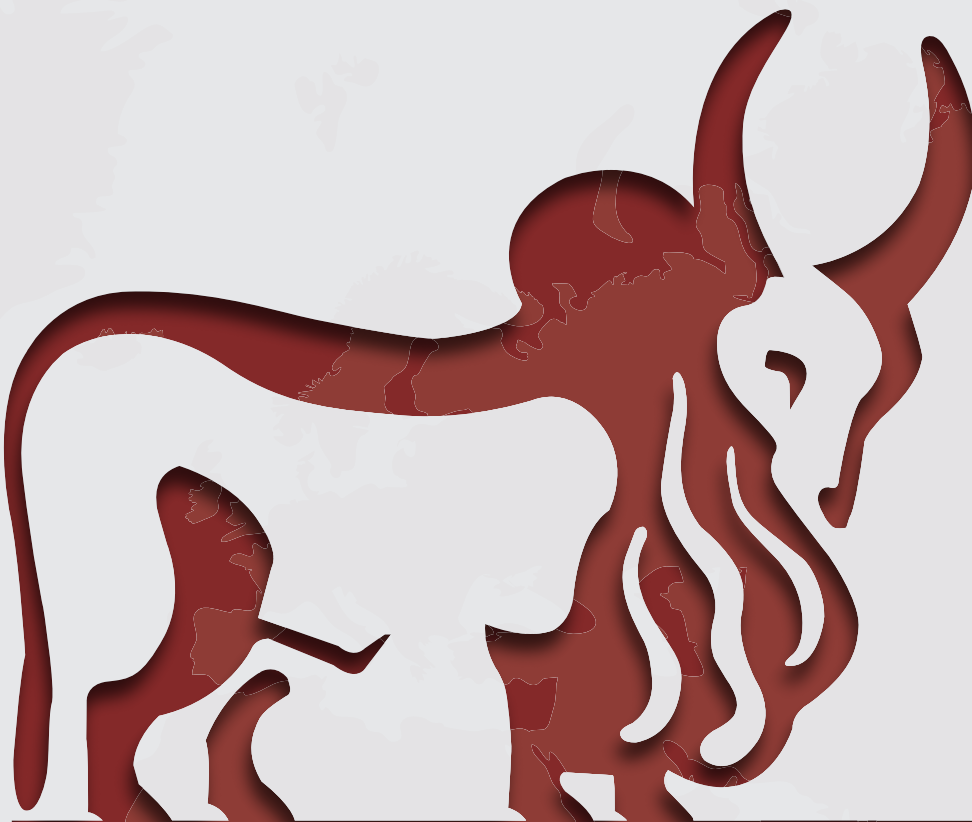


**31**  
March  
2020



**Annual Report**  
**2019/20**

**INDUSIND INTERNATIONAL  
HOLDINGS LTD**



**IndusInd**



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*Unaudited supplementary information  
Detailed consolidated and separate income statements*

# INDUSIND ANNUAL REPORT 2019/20

**OUR MISSION** : To create long-term value to our shareholders and investors.

**OUR VISION** : To be a **Global Financial Services Institution** with commitment to excellence in international orientation, innovation, speed and strict compliance with the principles of **Good Corporate Governance**

## OUR VALUES

**Integrity** : Integrity is the cornerstone of all our dealings with our shareholders, partners, governments and the communities we serve.

**Sustained Growth** : We are driven to grow our business capacity and profitability to create value for all our stakeholders.

**Global Mindset** : We think globally and act with due respect to and consideration for the local requirements.

**Quality** : We believe in continuous improvement through innovation, process enhancement and team work.



# CORPORATE DATA

DIRECTORS	DATE OF APPOINTMENT	DATE OF RESIGNATION / CESSATION
ASHOK P. HINDUJA	26 September 2006	-
LAL TOLANI	01 March 1994	-
DR. RAM BUXANI	01 March 1994	-
KEWALRAM SITAL	26 April 1994	04 February 2019
MAGHANMAL JETHANANAD PANCHOLIA	17 July 1994	02 September 2019
NARI POHANI	17 July 1994	-
AJAY HINDUJA	15 May 2004	-
KAMAL FABLANI	10 September 1997	-
VASHDEV T. PURSWANI	01 March 1994	-
RAJ SITALDAS MOTWANI	24 June 2019	-
MAYANK MALIK	31 January 2018	07 April 2020
IMALAMBAAL KICHENIN	01 March 2018	-
RADAMOHUN GUJADHUR	12 May 2020	-

## SECRETARY:

JurisTax Ltd Level 1, Ebene House  
Hotel Avenue, 33 Cybercity Ebene 72201  
Republic of Mauritius

## REGISTERED OFFICE:

C/o JurisTax Ltd Level 3, Ebene House  
Hotel Avenue 33 Cybercity Ebene 72201  
Republic of Mauritius

## BANKERS

SBI International (Mauritius) Ltd

SBM Bank (Mauritius) Ltd

Banque J. Safra Sarasin

Citibank, N.A. London

Bank of Baroda, London

## AUDITOR

D&G Associates LLP 5th Floor, Goliva  
St Jean Road Quatre Bornes, 72109  
Republic of Mauritius



# OUR DIRECTORS

ASHOK  
P.HINDUJA

**CHAIRMAN**



SRICHAND  
P.HINDUJA

**CHAIRMAN  
EMERITUS**



LAL  
TOLANI



DR. RAM  
BUXANI



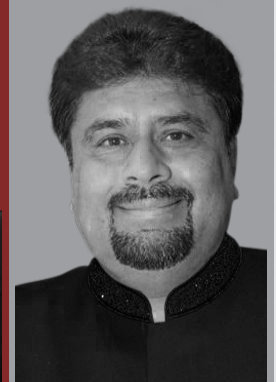
NARAYAN  
POHANI



AJAY  
HINDUJA



KAMAL  
FABIANI



VASHDEV  
T.PURSWANI



RAJ  
SITALDAS  
MOTWANI



IMALAMBAAL  
KICHENIN



RADAMOHUN  
GUJADHUR



# CHAIRMAN'S MESSAGE



## Dear Esteemed Shareholder,

On behalf of the Directors of IIHL, I hope that you and your family members are healthy and safe from the effects of the COVID-19 pandemic.

As we move towards the end of year 2020, the global economic outlook continues to be dominated by the spread of the COVID-19 novel coronavirus and economic toll of country-wide lockdowns imposed around the world to stem out the spread of the virus.

As per Fitch's September' 20 report, the global GDP is now expected to contract by 4.4% in 2020. The GDP Growth numbers from the April-June, 2020 quarter provide an indication of the impact of COVID-19. Significant contraction has been observed across the geographies. UK witnessed the highest contraction of 20.4% amongst the developed nations. Eurozone economy shrank by 12.1% and the contraction in the US was at 9.1%. Contraction amongst the major developing nations remained grim too.

On Indian economy the impact of COVID-19 has also been significant, which contracted in the April-June,

2020 quarter by 23.9%. The GDP data suggests that except for agriculture, which expanded by 3.4%, other job intensive segments were badly affected. In its latest forecast, Fitch has revised India GDP forecast to -10.5% from -5% earlier. Indian economy however is set for a "V-shaped" recovery and should rebound strongly in the coming quarters amid a re-opening of the economy.

IndusInd Bank has shown a stable performance in Q1 FY21 considering the impact of COVID-19 on the operations due to imposed lockdown. For the quarter ended June 30, 2020 bank reported a revenue of Rs. 8,682 Cr with about 1% YoY growth; Pre-Provision Operating Profit (PPOP) of Rs. 2,928 Cr with 13% YoY growth. NIM at 4.28%, Net NPAs at 0.86 %, Provision Coverage ratio at 67%, Loan related provisions at 96% of GNPA, Capital adequacy (CRAR) ratio at 15.16 % and Liquidity Coverage Ratio at 124 % underscore the strength of operating performance and adequacy of capital & liquidity buffers. Serving 26 mn Customers through 4853 distribution points, the Bank launched video KYC for savings and fixed



# CHAIRMAN'S MESSAGE

deposit customers during the lockdown period and this is much appreciated by the customers. Instant fixed deposit booking was launched online.

Some of other strategic moves undertaken by Bank are - Reduced reliance on Certificates of Deposits, Re-aligning loan book towards granular exposures, reduction in concentrated exposures, Well positioned with Capital & Liquidity to make the growth pivot at the appropriate time, and leveraging Bharat Financial Inclusion Ltd (BFIL) acquisition into allied synergies, etc

As a part of the confidence building measure, IndusInd bank also raised additional capital of up to \$450 mn at a price of ₹524 per share through a preferential issue. Needless to say, the capital raise was fully subscribed. Your Company also participated in this capital raise within permissible limit of 15% allowed by the Regulators on a fully diluted basis which was up to \$67 mn.

The Bank looks forward to a bright future which would lead to increase in the book value of the share of IIHL. The book value of your company's share as of 30<sup>th</sup> September 2020 is approximately US\$ 26.67 up from value of US\$ 20.23 as of March 2020.

The year under review was a challenging and a difficult year for the NBFCs wherein Hinduja Leyland Finance Ltd (HLF) is one among the key players in the country. However, it is gratifying to share that HLF's turned out a satisfying performance in these trying times. It's assets under management grew to reach Rs.28,100 Crores registering a CAGR growth of 37% over the last 6 years and the Profit after tax also increased to Rs 327 Crores, registering a growth of 28% over the last 6 years. With a provision coverage ratio of 42% which is among the best in the comparable peers. I am confident that HLF, with its de-risked business model, digital focus and plans to enter into other asset class and services will substantially enhance its shareholders value in the coming years

Performance of IndusInd Media & Communication Ltd. continues to remain stable. As per a Scheme of Arrangement filed with the National Company Law Tribunal (NCLT), the Cable TV and HITS business is getting demerged from IndusInd Media & Communications Limited (IMCL) into its parent NXTDIGITAL Limited (NDL) a listed company. By virtue of this IIHL will get 6.39% shares in NDL and continue to hold 10.06 percent in the demerged IMCL. This will enhance the overall value of investment.

Afrinex Limited one of our latest investment is also gearing up for launch by November 2020. Your company has a 10% equity in Afrinex which will be allotted in tranches. This Exchange will be offering compelling value propositions being the only African venue for exposure to Africa and India outside their home markets, by extending access to global exchanges and their liquidity pool coupled with best in class technology in partnership with BSE.

We are pleased to inform that the company is in process of seeking the regulatory approval for the appointment of Mr. Moses Harding, a career banker as the CEO in place of Mr. Mayank Malik. Mr. Moses having worked in leadership positions in State Bank of India, IndusInd Bank, SBM Holdings Mauritius brings with him rich experience in international and cross border business which will help to build capacity in IIHL, generate revenue and profit through diversification and expansion.

Your Company would continue to examine opportunities of mergers and acquisitions to make it a vibrant operating company and we shall keep you advised of all developments.

With all best wishes,  
Yours Sincerely,

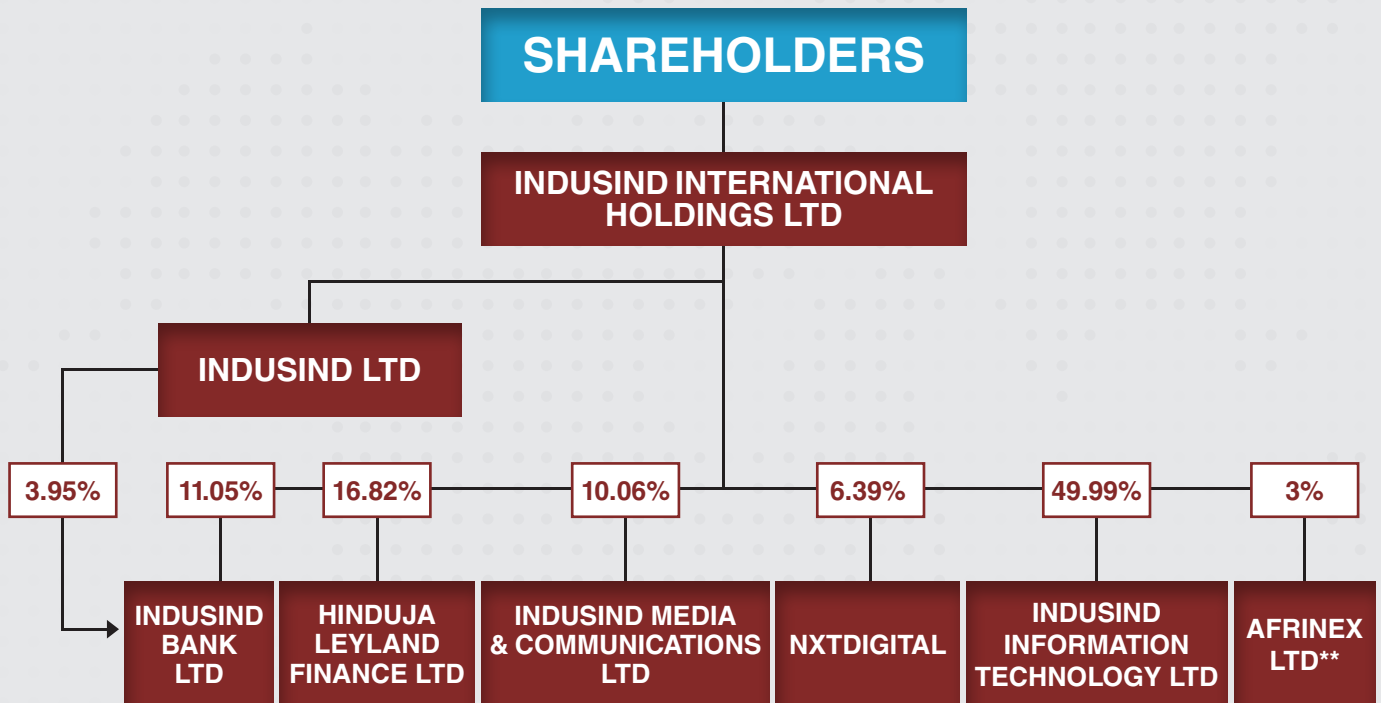


**Ashok P.Hinduja**  
CHAIRMAN



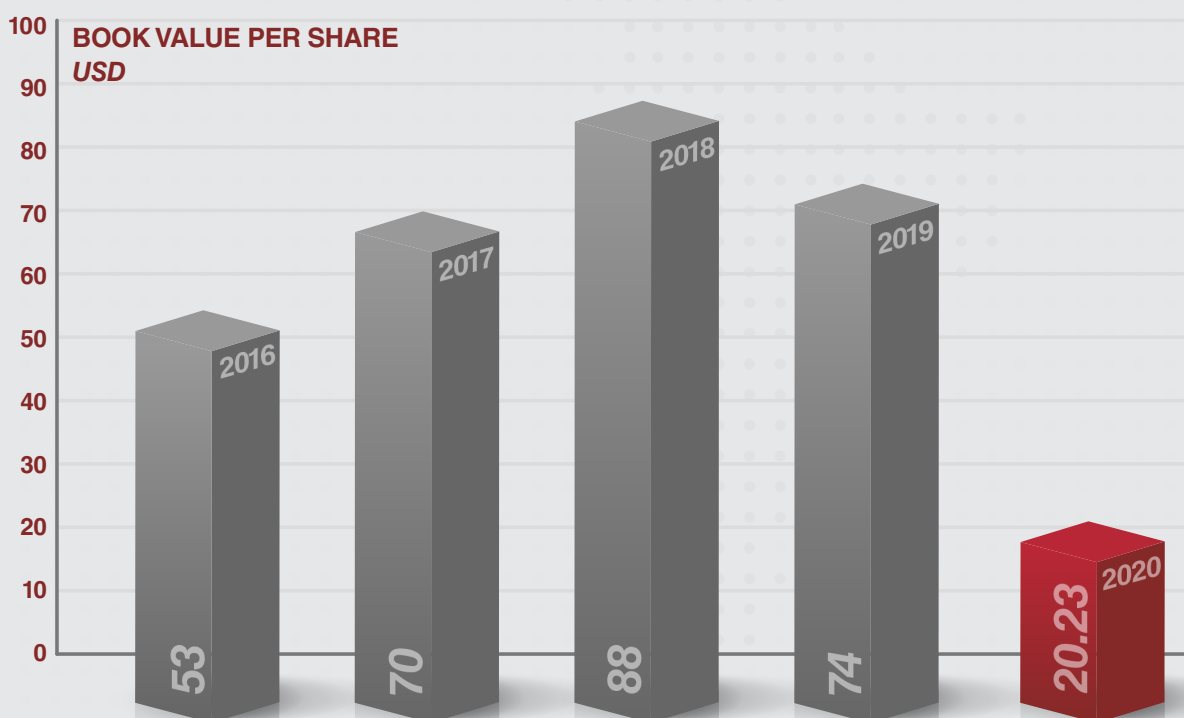


## CURRENT INVESTMENT HOLDING STRUCTURE

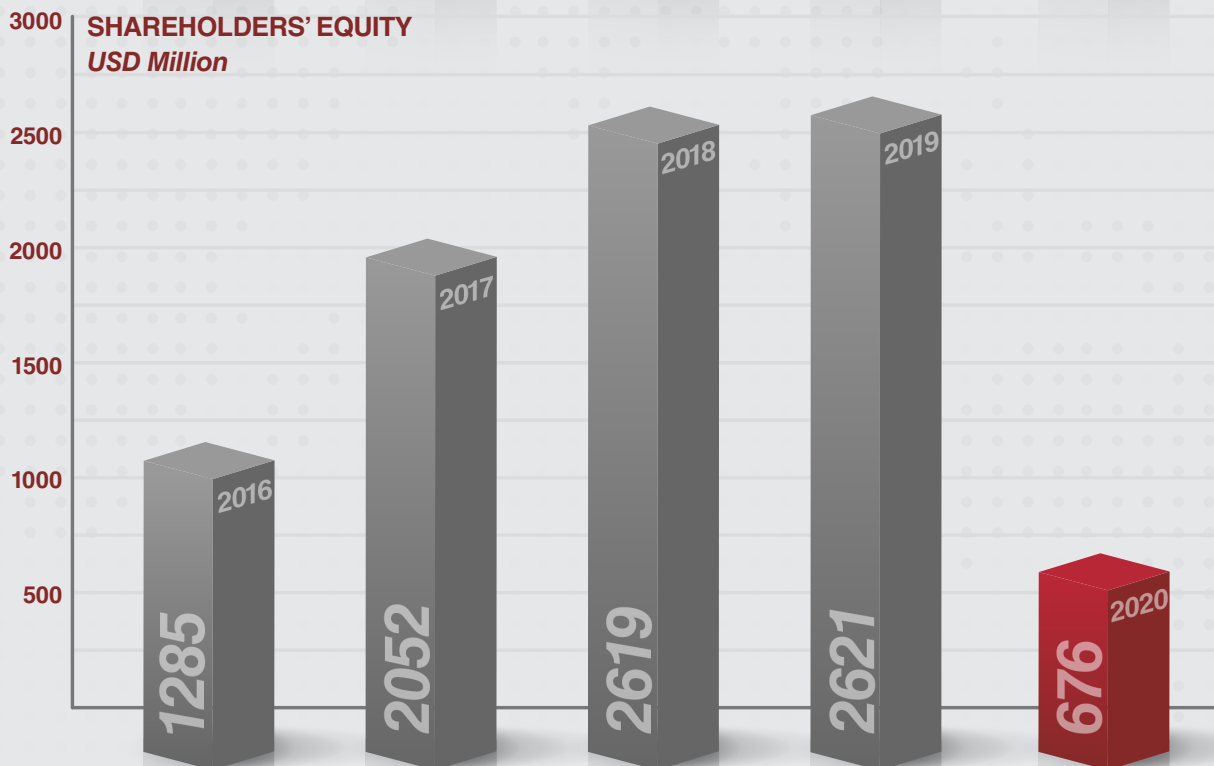
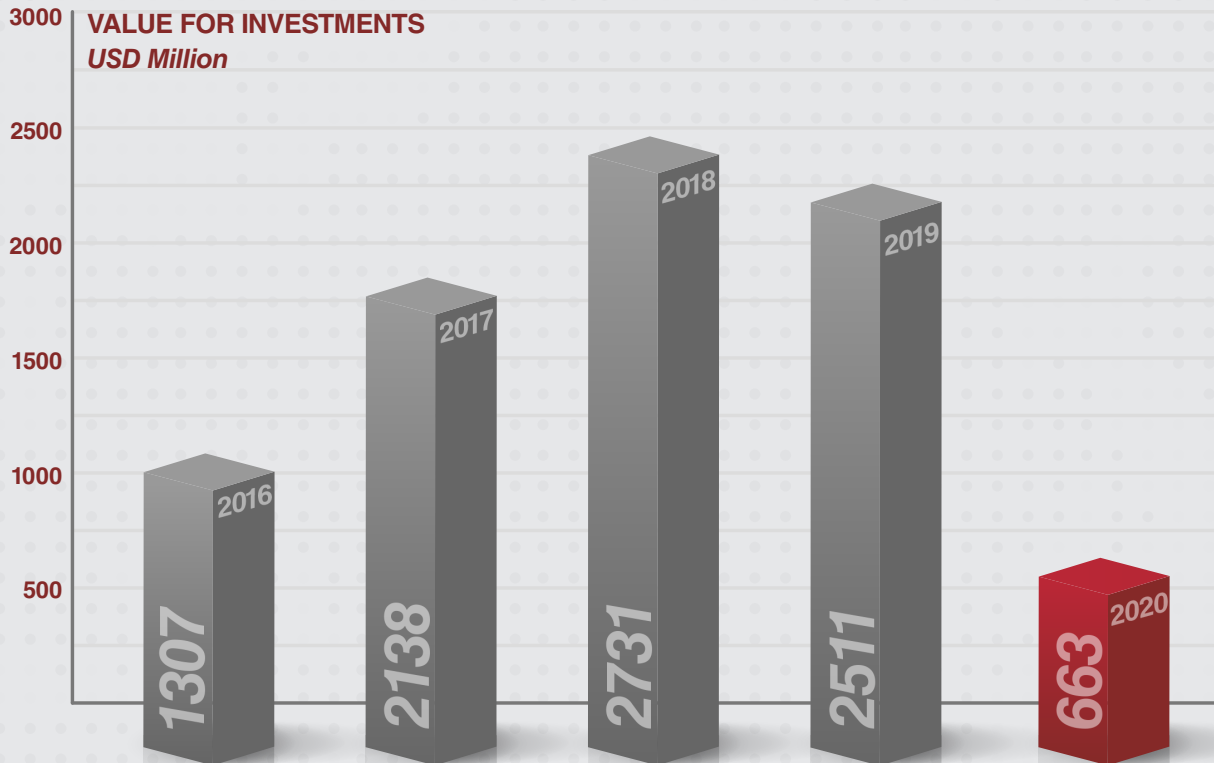


\*\* Final equity in Afrinex will go up to 10%

## BOOK VALUE PER SHARE



# FINANCIAL PERFORMANCE



Shareholders Equity = Stated Capital + Revenue Reserves + Translation Reserves + Revaluation Reserves + Other Reserves - Treasury Shares



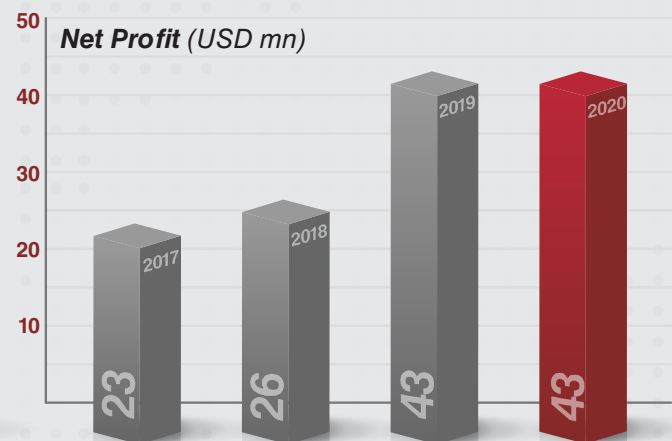
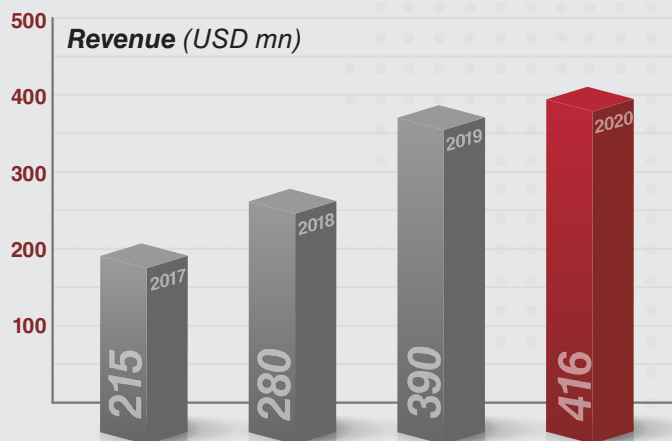
# HINDUJA LEYLAND FINANCE

## GROWTH

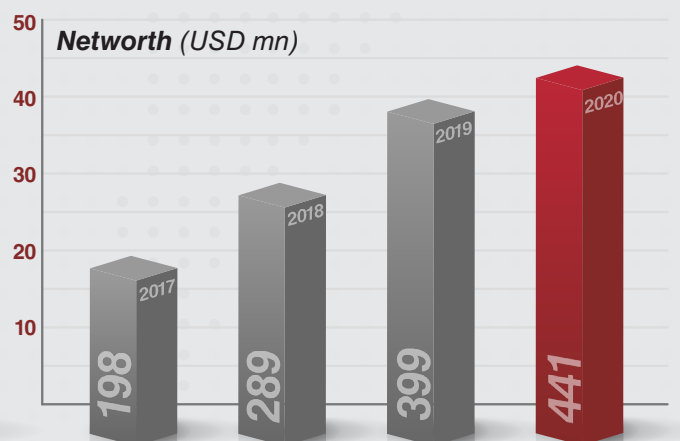
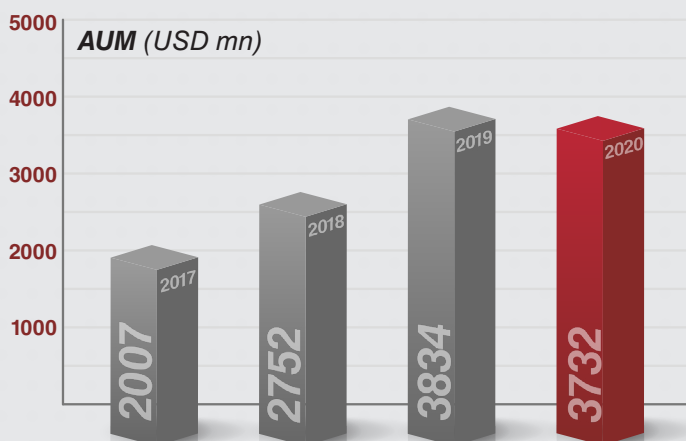
- AUM FY19 US\$ 3834 mn as against US\$ 3732 mn – 6% YOY growth.
- Pan India Presence – 1550 business locations.
- Diversified product portfolio – vehicle insurance ( commercial vehicles, two wheelers, three wheelers, construction equipment, tractors)and loans against property, used vehicle, home loan )
- Net NPA as of March 2020 – 2.9%

## STRENGTH

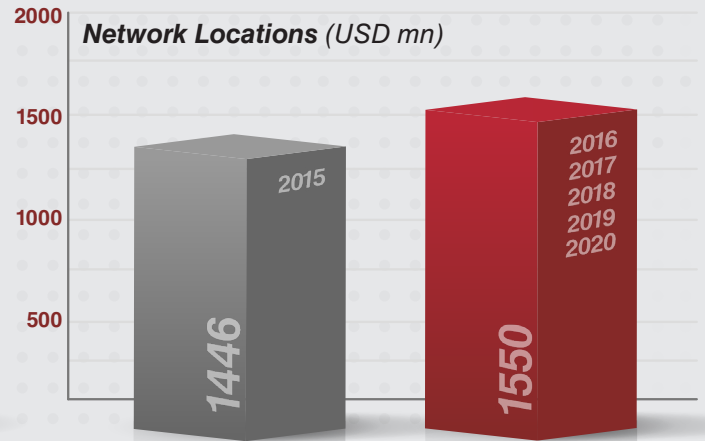
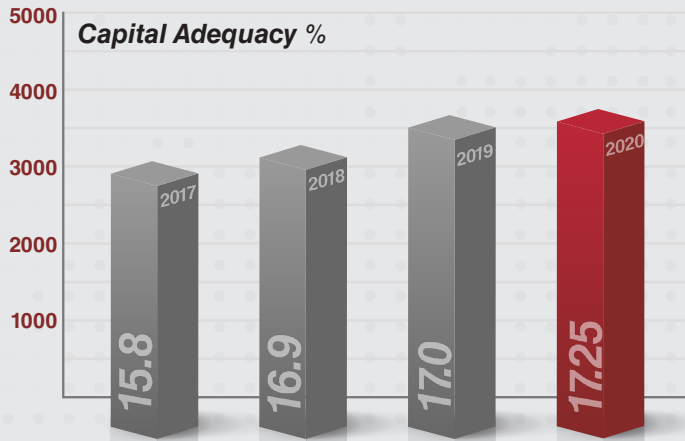
	FY19	FY20
Net Interest Margin	6.7%	6.6%
Return on Average Assets	1.7%	1.6%
Return of Equity	14.7%	12.8%
NPA as % on AUM	2.7%	2.9%



Note: P&L numbers are basis Ind-AS accounting standard for FY19 and FY20 and prior to that are restated IGAAP numbers. Balance sheet numbers are basis Ind-AS accounting standard for FY17 to FY20 and restated IGAAP numbers prior to that.



# HINDUJA LEYLAND FINANCE



Note: Currency conversion of 1 USD = 70 INR taken into account for all the years. This is the average conversion rate for FY20. Network numbers FY16 is on restated IGAAP financials. FY17-20 are based on Ind-AS numbers

# INDUSIND MEDIA & COMMUNICATIONS LIMITED

## OPERATING HIGHLIGHTS:

1. Only Digital Platform Operator (DPO) to operate in all the states and union territories of the Country.
2. HITS services connected to 1,500+ points-of-presence in India – covering 2,000+ pin codes in the country.
3. Only DPO to have a dual delivery platform – Digital cable through fiber and HITS (Head end in the Sky) through satellite.
4. First DPO to introduce the prepaid collection model – 99.5% of the customer base on prepaid.
5. The Company during the year:
  - Introduced Hybrid High Definition Set top boxes in the market for the first time
  - Introduced VAS services channels – branded “NXT Services” across multiple genres and for all age groups – a bouquet which is very popular among consumers
  - Became the provider of most number of channels across DPOs – offering 700+ TV channels in key cities and 650+ TV channels via satellite on the HITS platform.
  - Introduced the Managed Services Model whereby small DPOs are able to operate profitably by using the infrastructure of IMCL on an opex model. IMCL has already signed up half a million subscribers on this model – only DPO providing this service as of now
  - Crossed the 5 million subscriber base by ending the year with a base of 5.1 million subscribers
  - Successfully transitioned to the New Tariff order – Only company among DPOs to achieve this with a prepaid collection mechanism
  - DPO with the highest number of packages for customers to choose from in the NTO regime – 800+ packages; including specially curated packages in 11 languages.

## FINANCIAL HIGHLIGHTS:

39 % growth in revenues FY 20.

Reduction of expenses by 8 %

PAT positive, turnaround of 363 Cr

EBITDA positive, turnaround of 287 Cr.



# DIRECTORS' REPORT

THE DIRECTORS ARE PLEASED TO PRESENT THEIR TWENTY-SIXTH REPORT ON THE BUSINESS OF INDUSIND INTERNATIONAL HOLDINGS LTD. (THE “COMPANY”) ALONG WITH THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES, INDUSIND LTD, INDUSIND CAPITAL LTD, INDUSIND FINANCE LTD, AND INDUSIND VENTURES LTD. (TOGETHER THE “GROUP”) FOR THE YEAR ENDED **MARCH 31, 2020.**



## PRINCIPAL ACTIVITY

The principal activity of the Company and its subsidiaries is that of holding investments. The Company also constantly looks for opportunities to invest in operating business in financial services and technology.

## IFRS (International Financial Reporting Standard) 9

The Company has continued to adopt standard IFRS 9 for the year 2019-20 in reporting its financials as required which is based on the concept that financial assets should be classified and measured at fair value, with changes in the Fair Value recognized in Profit & Loss as they arise (FVPL), unless restrictive criteria are met for classifying and measuring the assets at either amortized cost or Fair Value through Other Comprehensive Income (FVOCI). It has been decided to classify all the financial assets of the Company under FVOCI for the year 2019-20.

## RESULTS AND DIVIDENDS

For the year under review, the consolidated net profit for the Group was USD 7.498 Mn as against USD 12.668 Mn in the previous year. Net profit for the Company was USD 5.610 Mn and that for FY19 was USD 10.187 Mn. There was gain on investment at fair value through P&L in 2019 and such gain was not available in 2020 resulting in lower profit.

The total equity of the Company including reserves as on 31st March 2020 was USD 708.52 Mn as against USD 2,652.16 Mn in the previous year. Fall in the price of share of IndusInd Bank Limited led largely to the reduction in the value of equity.

## BOOK VALUE OF THE COMPANY'S SHARES

The book value of the share of the Company of USD 1 each was USD 20.23 as against USD 73.78 in the previous year. The reduction in book value was again due to the fall in the valuation of IndusInd Bank and other investments.

# DIRECTORS' REPORT

## PERFORMANCE OF THE INVESTEE COMPANIES

### **INDUSIND BANK LIMITED (IBL)**

IBL is the flagship investee company of IIHL. The Company along with its subsidiary IndusInd Ltd have a promoter stake of about 15% in the equity of the Bank with warrants on a fully diluted basis.

IBL has delivered good working results for FY 20 with 35% increase in PAT despite the COVID Pandemic adverse effects on the economy.

Mr. Sumant Kathpalia, a seasoned banker, was appointed as MD and CEO of the Bank in March 2020. NPA level has come down from 1.27% in 2019 to 0.91% in 2020. Provision Coverage ratio has been enhanced from 43% to 63.34%.

Under his leadership, the bank is pushing forward into FY 21 on the basis of his strong belief in new opportunities in the banking markets especially rural India which will be one of the big pillars of growth in the near future. The bank's share price also shows signs of improving.

### **WARRANTS**

In July 2019, IIHL and IL subscribed to warrants issued by the Bank in lieu of shares and 25% of the warrants, USD 100 Mn was paid with the understanding that 75% of the warrants, USD 300 Mn (depending on USD & INR exchange rate) will be paid in 18 months' time when the warrants will be converted into equity shares of the Bank.

### **HINDUJA LEYLAND FINANCE LIMITED (HLFL)**

HLFL is a vehicle finance company and is diversifying into Housing Finance, Loan against Property and portfolio buyouts. The cost of investment for IIHL in the equity of HLFL is USD 99.4 Mn and its present value is USD 152.85 Mn.

The asset under management for the consolidated business of the company amounts to INR 28,117 Cr (USD 3.732 Bn) with a growth of 6% over previous year. PAT was INR 326 Cr (USD 43.27 Mn) as against INR 301 Cr (USD 43.52 Mn) showing a growth of 8%.

The slow growth in business is largely due to the economic slowdown and it would take some more time for the company to improve business after the present lockdown is lifted.

### **INDUSIND MEDIA COMMUNICATION LIMITED (IMCL)**

IIHL holds 10.06% stake in the equity of IMCL and owns 1,95,83,178 shares in the company. The cost of investment is USD 84,954,612 and the fair value USD 33,364,318.

The fall in value is due to the losses incurred by the company in the past years. The company has shown strong turnaround in FY 20. Revenue increased by 39% from INR 589 Cr (USD 85.15 Mn) in previous year to INR 816 Cr (USD 108.3 Mn). Profit was INR 15.96 Cr (USD 2.119 Mn) against loss of INR 353.32 Cr (USD 51.08 Mn) in

# DIRECTORS' REPORT

## **PERFORMANCE OF THE INVESTEE COMPANIES**

IMCL has successfully implemented the new tariff order of the Government in the implementation of which order commenced on 1<sup>st</sup> February 2019. The implementation saw IMCL progressively and systematically converting close to 100% of its customer base to the new regime. This was due to a happy customer base, a robust backend system and committed resources. Based on the operations in implementing the new order of the Government, IMCL has posted PAT positive for the year 2019-20.

The company has a vision to emerge as one of the top 3 digital platform service companies in India offering digital cable, satellite and broadband. With IMCL growing from strength to strength, it is time to for getting listed with the long-term objective of creating value to shareholders and an avenue for raising growth capital.

The entire business of IMCL is being demerged from its parent NXTDIGITAL (formerly Hinduja Ventures Ltd a listed company).

The swap ratio for demerger is 10 shares of NXTDIGITAL for 125 shares of IMCL. IIHL will hold 15,66,654 (6.39%) shares in the listed NXTDIGITAL. It will continue to hold 10.06% in the residual IMCL.

The steps being taken by IMCL will enhance the value of investment of IIHL.

## **INDUSIND INFORMATION TECHNOLOGY LIMITED (IITL)**

IIHL is holding about 49.99% of the paid-up share capital of IITL and its net worth as on 31<sup>st</sup> March 2020 is INR 5.53 Cr (USD 0.74 Mn). Net profit of the company was INR 10.92 Lakhs (USD 0.01541 Mn) as against INR 1.21 Cr (USD 0.16 Mn) in the previous year. The fall in net profit has been due to change in the investment strategy of the Company. It converted its investment in interest bearing corporate deposits into shares of companies.

## **AFRINEX LIMITED (AFRINEX)**

The Company has committed to invest USD 1 Mn in AFRINEX, a multi-asset exchange being set up in Mauritius in collaboration with Bombay Stock Exchange Ltd. It is the first African exchange with inbound and outbound market access. The AFRINEX platform with its state-of-the-art integrated trading and clearing system provides low latency, high throughput, enhanced risk controls and system safeguards. Capital requirement pre COVID-19 was USD 8.2 Mn. AFRINEX has received commitments of USD 6.2 Mn and has collected USD 2.8 Mn. IIHL has contributed USD 300,000 out of its commitment of USD 1 Mn. The launch of the exchange has been delayed on account of COVID- 19 crisis. The exchange may be launched in October 2020.

## **FUTURE OUTLOOK**

On Mr. Mayank Malik stepping down after completing his tenure, Mr. Radhamohun Gujadhur who was assisting the Company in legal matters and is well experienced in business in Mauritius and Switzerland has been appointed as General Manager and Director of the Company with effect from 12<sup>th</sup> May 2020. He will assist the Directors to assess various mergers and acquisition opportunities to make the Company a vibrant operating company.

Over last one year, all the leading banks from public and private sector have witnessed a massive decline in their share price. IndusInd Bank too witnessed a steep fall in its share price over past few months especially during the month of March 2020. After the YES bank Fiasco, various hedge funds and punters had tried to suppress the IBL share price for their vested interests by spreading rumours. They however forgot about the strong support which the Bank enjoys from its NRI promoters (IIHL & IL) which in turn are supported by HNI shareholders who have stood by the bank for past 26 years.

Reports from leading analysts (Standard Chartered, CLSA, Citi, Kotak, Axis Capital, Motilal Oswal etc) holds optimistic view for the bank and suggest a BUY rating with a target price in the range of Rs 450 to Rs 720. The present price of IndusInd Bank share is around INR 550, up from the price of INR 351 on 31<sup>st</sup> March 2020.



# DIRECTORS' REPORT

## **PERFORMANCE OF THE INVESTEE COMPANIES**

Reports suggest a stronger performance from the bank especially in the second half of FY21 when the impact of lockdown subsides. The shareholders of the Company will see a handsome rise in the book value of IIHL share.

The future fund requirements will be met by divestment of investments.

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

The directors are responsible for the preparation of the financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with the International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

## **CREATION OF SHAREHOLDER DATABASE**

Significant success has been achieved in completing KYC formalities of many of the shareholders and creating detailed database of the shareholders as regards address, email ID, banking account details, passport copies and other KYC requirements and the efforts of the Management Company will continue unrelented.

The Company's website <http://www.indusindinternational.com/> is periodically updated that the Shareholders may refer to keep themselves up to date with the Company's affairs.

## **AUDITORS**

The Auditors D&G Associates LLP have indicated their willingness to continue in office until the next general meeting.

*By order of the Board*



**Radamohun Gujadhur**  
Director

29 JULY 2020

# 01



## SECRETARY'S CERTIFICATE

### Secretary's certificate under Section 166 (d) of the Mauritius Companies Act 2001

In accordance with Section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the year ended **31 March 2020**.

**Logadarshen Rangien**  
*Company Secretary*  
For and on behalf of **JurisTax Ltd**

29 JULY 2020

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF INDUSIND INTERNATIONAL HOLDINGS LTD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of **INDUSIND INTERNATIONAL HOLDINGS LTD** (the "Company") and consolidated financial statements of the Company and its subsidiaries (the "Group") set out on pages 10 to 56, which comprise the statement of financial position as at 31 March 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2020 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001.

#### BASIS FOR OPINION

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

#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report and Secretary's Report, or any other information. The other information does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and 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 and its subsidiaries or to cease operations, or have no realistic alternative but to do so.

#### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF INDUSIND INTERNATIONAL HOLDINGS LTD

to influence the economic decisions of users taken on the basis of these financial statements.

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

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

### OTHER MATTER

This report is made solely to the Company's member, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, for our audit work, for this report, or for the opinions we have formed.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

29 JULY 2020

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

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

## CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME


	Note	THE GROUP		THE COMPANY	
		2020 USD	2019 USD	2020 USD	2019 USD
Revenue	5	9,474,264	9,812,238	6,970,816	7,212,471
Administration Expenses		(2,708,440)	(2,102,852)	(2,573,040)	(1,939,785)
		6,765,824	7,709,386	4,397,776	5,272,686
Gain on Investments at Fair Value Through Profit or Loss		-	3,601,951	-	3,601,951
<b>Profit from Operating Activities</b>		<b>6,765,824</b>	<b>11,311,337</b>	<b>4,397,776</b>	<b>8,874,637</b>
Finance Income	6	9,746,438	10,926,508	9,742,641	10,893,159
Finance Costs	6	(8,969,766)	(9,580,169)	(8,529,975)	(9,580,169)
<b>Net Finance Income</b>	<b>6</b>	<b>776,672</b>	<b>1,346,339</b>	<b>1,212,666</b>	<b>1,312,990</b>
<b>Operating Profit</b>		<b>7,542,496</b>	<b>12,657,676</b>	<b>5,610,442</b>	<b>10,187,627</b>
Other Income		10,730	-	-	-
Share of Profit of Associate	8	7,702	86,678	-	-
<b>Profit Before Taxation</b>		<b>7,560,928</b>	<b>12,744,354</b>	<b>5,610,442</b>	<b>10,187,627</b>
Taxation	7	(62,197)	(75,629)	-	-
<b>Profit for the Year</b>		<b>7,498,731</b>	<b>12,668,725</b>	<b>5,610,442</b>	<b>10,187,627</b>
<b>Items that are or may be Reclassified Subsequently to Profit or Loss</b>					
Foreign Currency Translation Differences		(69,554)	(100,363)	-	-
Share of other Comprehensive Income (OCI) of Associate	8	(1,561,986)	262,251	-	-
Net Change in Fair Value of Investments at Fair Value Through OCI	9	(1,944,188,705)	(215,991,569)	(1,913,932,271)	(211,142,208)
<b>Other Comprehensive (Loss) / Income for the Year</b>		<b>(1,945,820,245)</b>	<b>(215,829,681)</b>	<b>(1,913,932,271)</b>	<b>(211,142,208)</b>
<b>Total Comprehensive (Loss) / Income for the Year</b>		<b>(1,938,321,514)</b>	<b>(203,160,956)</b>	<b>(1,908,321,829)</b>	<b>(200,954,581)</b>
<b>Profit Attributable to:</b>					
Owners of the Company		7,390,383	12,530,954	5,610,442	10,187,627
Non-Controlling Interests		108,348	137,771	-	-
		7,498,731	12,668,725	5,610,442	10,187,627
<b>Total Comprehensive (Loss) / Income Attributable to:</b>					
Owners of the Company		(1,910,019,303)	(200,778,651)	(1,908,321,829)	(200,954,581)
Non-Controlling Interests		(28,302,211)	(2,382,305)	-	-
		(1,938,321,514)	(203,160,956)	(1,908,321,829)	(200,954,581)


# CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	THE GROUP		THE COMPANY	
		2020 USD	2019 USD	2020 USD	2019 USD
<b>ASSETS</b>					
Investments in Subsidiaries	11		-	<b>82,462,011</b>	555,938,893
Investments in Associate	8	<b>369,372</b>	1,993,210	<b>248,930</b>	248,930
Investments at Fair Value Through OCI	9	<b>573,188,745</b>	2,322,038,731	<b>496,972,339</b>	1,744,355,260
Investments at Fair Value Through Profit or Loss	10	-	187,048,523	-	187,048,523
Share Warrants	12	<b>89,442,535</b>	-	<b>65,744,602</b>	-
Equipment	13	<b>20,132</b>	22,486	<b>20,132</b>	22,486
<b>Total Non-Current Assets</b>		<b>663,020,784</b>	<b>2,511,102,950</b>	<b>645,448,014</b>	<b>2,487,614,092</b>
Other Receivables and Prepayments	14	<b>16,285,305</b>	191,612,164	<b>63,789,991</b>	217,494,652
Cash and Cash Equivalents		<b>719,287</b>	143,225,050	<b>637,893</b>	140,626,527
<b>Total Current Assets</b>		<b>17,004,592</b>	<b>334,837,214</b>	<b>64,427,884</b>	<b>358,121,179</b>
<b>Total Assets</b>		<b>680,025,376</b>	<b>2,845,940,164</b>	<b>709,875,898</b>	<b>2,845,735,271</b>

These **Consolidated and Separate Financial Statements** have been approved and authorised for issue by the Board of directors on **29 JULY 2020** and signed on its behalf by:

29 JULY 2020

  
Mrs Imalambaal Kichenin  
Director

  
Radamohun Gujadhur  
Director

# CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

	Note	THE GROUP		THE COMPANY	
		2020 USD	2019 USD	2020 USD	2019 USD
<b>EQUITY</b>					
Stated Capital	15	35,948,227	35,948,227	35,948,227	35,948,227
Other Reserve	15	312,653,796	337,130,194	288,306,438	312,782,836
Treasury Shares	16	(923,032)	(1,886)	(923,032)	(1,886)
Translation Reserve	15	(1,563,094)	(1,493,540)	-	-
Revaluation Reserve	15	92,749,144	1,910,051,502	218,360,054	2,032,254,551
Revenue Reserve		236,939,132	339,510,164	166,828,089	271,179,062
<b>Total Equity Attributable to Owners of the Company</b>		<b>675,804,173</b>	<b>2,621,144,661</b>	<b>708,519,776</b>	<b>2,652,162,790</b>
Non-Controlling Interests	17	2,765,588	31,067,799	-	-
<b>Total Equity</b>		<b>678,569,761</b>	<b>2,652,212,460</b>	<b>708,519,776</b>	<b>2,652,162,790</b>
<b>CURRENT LIABILITIES</b>					
Loan	19	-	190,000,000	-	190,000,000
Other Payables	18	1,452,399	3,701,941	1,356,122	3,572,481
Tax Payable	7	3,216	25,763	-	-
<b>Total Current Liabilities</b>		<b>1,455,615</b>	<b>193,727,704</b>	<b>1,356,122</b>	<b>193,572,481</b>
<b>Total Liabilities</b>		<b>1,455,615</b>	<b>193,727,704</b>	<b>1,356,122</b>	<b>193,572,481</b>
<b>Total Equity and Liabilities</b>		<b>680,025,376</b>	<b>2,845,940,164</b>	<b>709,875,898</b>	<b>2,845,735,271</b>

These **Consolidated and Separate Financial Statements** have been approved and authorised for issue by the Board of directors on **29 JULY 2020** and signed on its behalf by:



Mrs Imalambaal Kichenin  
Director

29 JULY 2020



Radamohun Gujadhur  
Director

## CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

THE GROUP	ATTRIBUTABLE TO OWNERS OF THE COMPANY								
	Stated Capital	Other Reserve	Treasury Shares	Translation Reserve	Revaluation Reserves	Revenue Reserve	Total	Non - Controlling Interests	Total Equity
	USD	USD	USD	USD	USD	USD	USD	USD	USD
<b>Balance At 1 April 2018</b>	<b>35,948,227</b>	<b>138,244,014</b>	<b>(5,858,746)</b>	<b>(1,393,177)</b>	<b>2,223,298,518</b>	<b>228,746,805</b>	<b>2,618,985,641</b>	<b>33,450,104</b>	<b>2,652,435,745</b>
<i>Reclassification on Adoption of IFRS 9 (Note 25)</i>	-	-	-	-	<b>(100,037,774)</b>	100,037,774	-	-	-
<b>Balance After Reclassification</b>	<b>35,948,227</b>	<b>138,244,014</b>	<b>(5,858,746)</b>	<b>(1,393,177)</b>	<b>2,123,260,744</b>	<b>328,784,579</b>	<b>2,618,985,641</b>	<b>33,450,104</b>	<b>2,652,435,745</b>
<b>Total Comprehensive Loss</b>									
Profit for the Year	-	-	-	-	-	12,530,954	<b>12,530,954</b>	137,771	<b>12,668,725</b>
Revenue Reserve	-	-	-	(100,363)	<b>(213,209,242)</b>	-	<b>(213,309,605)</b>	(2,520,076)	<b>(215,829,681)</b>
<b>Total Comprehensive Loss for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100,363)</b>	<b>(213,209,242)</b>	<b>12,530,954</b>	<b>(200,778,651)</b>	<b>(2,382,305)</b>	<b>(203,160,956)</b>
<b>Transactions with Owners of the Company Contributions and Distributions</b>									
Rights Issue	-	199,133,240	<b>5,856,860</b>	-	-	-	<b>204,990,100</b>	-	<b>204,990,100</b>
Capitalisation of Rights Issue Expenses	-	(247,060)	-	-	-	-	<b>(247,060)</b>	-	<b>(247,060)</b>
Current Year Dividend Declared (Note 20)	-	-	-	-	-	(1,805,369)	<b>(1,805,369)</b>	-	<b>(1,805,369)</b>
<b>Total Contributions and Distributions</b>	<b>-</b>	<b>198,886,180</b>	<b>5,856,860</b>	<b>-</b>	<b>-</b>	<b>(1,805,369)</b>	<b>202,937,671</b>	<b>-</b>	<b>202,937,671</b>
<b>Balance At 31 March 2019</b>	<b>35,948,227</b>	<b>337,130,194</b>	<b>(1,886)</b>	<b>(1,493,540)</b>	<b>1,910,051,502</b>	<b>339,510,164</b>	<b>2,621,144,661</b>	<b>31,067,799</b>	<b>2,652,212,460</b>
<b>Balance At 1 April 2019</b>	<b>35,948,227</b>	<b>337,130,194</b>	<b>(1,886)</b>	<b>(1,493,540)</b>	<b>1,910,051,502</b>	<b>339,510,164</b>	<b>2,621,144,661</b>	<b>31,067,799</b>	<b>2,652,212,460</b>
<i>Reclassification on Adoption of IFRS 9 (Note 25)</i>	-	-	-	-	<b>100,037,774</b>	(100,037,774)	-	-	-
<b>Balance After Reclassification</b>	<b>35,948,227</b>	<b>337,130,194</b>	<b>(1,886)</b>	<b>(1,493,540)</b>	<b>2,010,089,276</b>	<b>239,472,390</b>	<b>2,621,144,661</b>	<b>31,067,799</b>	<b>2,652,212,460</b>
<b>Total Comprehensive Loss</b>									
Profit for the Year	-	-	-	-	-	7,390,383	<b>7,390,383</b>	108,348	<b>7,498,731</b>
Other Comprehensive Loss	-	-	-	(69,554)	<b>(1,917,340,132)</b>	-	<b>(1,917,409,686)</b>	(28,410,559)	<b>(1,945,820,245)</b>
<b>Total Comprehensive Loss for the Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,554)</b>	<b>(1,917,340,132)</b>	<b>7,390,383</b>	<b>(1,910,019,303)</b>	<b>(28,302,211)</b>	<b>(1,938,321,514)</b>
<b>Transactions with Owners of the Company Contributions and Distributions</b>									
Rights Issue	-	(24,476,398)	<b>(921,146)</b>	-	-	(5,609,840)	<b>(31,007,384)</b>	-	<b>(31,007,384)</b>
Current Year Dividend Declared (Note 20)	-	-	-	-	-	(4,313,801)	<b>(4,313,801)</b>	-	<b>(4,313,801)</b>
<b>Total Contributions and Distributions</b>	<b>-</b>	<b>(24,476,398)</b>	<b>(921,146)</b>	<b>-</b>	<b>-</b>	<b>(9,923,641)</b>	<b>(35,321,185)</b>	<b>-</b>	<b>(35,321,185)</b>
<b>Balance At 31 March 2020</b>	<b>35,948,227</b>	<b>312,653,796</b>	<b>(923,032)</b>	<b>(1,563,094)</b>	<b>92,749,144</b>	<b>236,939,132</b>	<b>675,804,173</b>	<b>2,765,588</b>	<b>678,569,761</b>



## CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

THE COMPANY	Stated Capital	Treasury Shares	Revaluation Reserves	Revenue Reserve	Other Reserve	Total Equity
	USD	USD	USD	USD	USD	USD
<b>Balance At 1 April 2018</b>	<b>35,948,227</b>	<b>(5,858,746)</b>	<b>2,343,434,533</b>	<b>162,759,030</b>	<b>113,896,656</b>	<b>2,650,179,700</b>
<i>Reclassification on Adoption of IFRS 9 (Note 25)</i>	-	-	<b>(100,037,774)</b>	100,037,774	-	-
<b>Balance After Reclassification</b>	<b>35,948,227</b>	<b>(5,858,746)</b>	<b>2,243,396,759</b>	<b>262,796,804</b>	<b>113,896,656</b>	<b>2,650,179,700</b>
<b>Total Comprehensive Loss for the Year</b>						
<b>Profit for the Year</b>	-	-	-	10,187,627	-	10,187,627
Other Comprehensive Loss	-	-	<b>(211,142,208)</b>	-	-	<b>(211,142,208)</b>
<b>Total Comprehensive Loss for the Year</b>	-	-	<b>(211,142,208)</b>	10,187,627	-	<b>(200,954,581)</b>
<b>Transactions with Owners of the Company Contributions and Distributions</b>						
Right Issue	-	5,856,860	-	-	<b>199,133,240</b>	204,990,100
Capitalisation of Rights Issue Expenses	-	-	-	-	<b>(247,060)</b>	(247,060)
Current Year Dividend Declared (Note 20)	-	-	-	<b>(1,805,369)</b>	-	<b>(1,805,369)</b>
<b>Total Contributions and Distributions</b>	-	5,856,860	-	<b>(1,805,369)</b>	<b>198,886,180</b>	202,937,671
<b>Balance At 31 March 2019</b>	<b>35,948,227</b>	<b>(1,886)</b>	<b>2,032,254,551</b>	<b>271,179,062</b>	<b>312,782,836</b>	<b>2,652,162,790</b>
<b>Balance At 1 April 2019</b>	<b>35,948,227</b>	<b>(1,886)</b>	<b>2,032,254,551</b>	<b>271,179,062</b>	<b>312,782,836</b>	<b>2,652,162,790</b>
<i>Reclassification on Adoption of IFRS 9 (Note 25)</i>	-	-	<b>100,037,774</b>	<b>(100,037,774)</b>	-	-
<b>Balance After Reclassification</b>	<b>35,948,227</b>	<b>(1,886)</b>	<b>2,132,292,325</b>	<b>171,141,288</b>	<b>312,782,836</b>	<b>2,652,162,790</b>
<b>Total Comprehensive Loss for the Year</b>						
Profit for the Year	-	-	-	5,610,442	-	5,610,442
Other Comprehensive Loss	-	-	<b>(1,913,932,271)</b>	-	-	<b>(1,913,932,271)</b>
<b>Total Comprehensive Loss for the Year</b>	-	-	<b>(1,913,932,271)</b>	5,610,442	-	<b>(1,908,321,829)</b>
<b>Transactions with Owners of the Company Contributions and Distributions</b>						
Right Issue	-	(921,146)	-	<b>(5,609,840)</b>	<b>(24,476,398)</b>	<b>(31,007,384)</b>
Current Year Dividend Declared (Note 19)	-	-	-	<b>(4,313,801)</b>	-	<b>(4,313,801)</b>
<b>Total Contributions and Distributions</b>	-	(921,146)	-	<b>(9,923,641)</b>	<b>(24,476,398)</b>	<b>(35,321,185)</b>
<b>Balance At 31 March 2020</b>	<b>35,948,227</b>	<b>(923,032)</b>	<b>218,360,054</b>	<b>166,828,089</b>	<b>288,306,438</b>	<b>708,519,776</b>

## CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
<b>Cash Flows from Operating Activities</b>				
Profit for the Year	7,498,731	12,668,725	5,610,442	10,187,627
<b>Adjustments for:</b>				
Depreciation	5,622	5,622	5,622	5,622
Interest Income	(9,743,607)	(10,853,864)	(9,739,822)	(10,820,524)
Interest Expense	8,883,269	9,569,170	8,490,395	9,569,170
Dividend Income	(9,474,264)	(9,812,238)	(6,970,816)	(7,212,471)
Gain on Investments	-	(3,601,951)	-	(3,601,951)
Share of Profit of Associate (Net of Tax)	(7,702)	(86,678)	-	-
Taxation	62,197	75,629	-	-
	(2,775,754)	(2,035,585)	(2,604,179)	(1,872,527)
Decrease/(Increase) in Other Receivables and Prepayments	907,488	(538,395)	908,692	(538,398)
(Decrease)/Increase in Other Payables	(115,689)	19,840	(82,506)	47,243
<b>Cash Used in Operating Activities</b>	<b>(1,983,955)</b>	<b>(2,554,140)</b>	<b>(1,777,993)</b>	<b>(2,363,682)</b>
Income Tax Paid	(84,744)	(84,800)	-	-
Interest Paid	(9,211,520)	(9,676,775)	(8,818,646)	(9,676,775)
<b>Net Cash Used in Operating Activities</b>	<b>(11,280,219)</b>	<b>(12,315,715)</b>	<b>(10,596,639)</b>	<b>(12,040,457)</b>
<b>Cash Flows from Investing Activities</b>				
Interest Received	10,398,804	8,246,253	10,395,019	8,212,911
Dividend Received	9,474,264	9,812,238	6,970,816	7,212,471
Acquisition of Equipment	(3,268)	(28,108)	(3,268)	(28,108)
Acquisition of Investments	(748,697)	(24,414,939)	(748,697)	(24,414,939)
Acquisition of Share Warrants	(97,995,634)	-	(72,031,450)	-
Disposal Proceeds of Investments	-	32,960,405	-	32,960,405
Loan to Third Party	173,764,174	(187,000,000)	173,764,174	(187,000,000)
Loan to Subsidiaries	-	-	(21,623,402)	(213,955)
<b>Net Cash Generated from/ (used in) Investing Activities</b>	<b>94,889,643</b>	<b>(160,424,151)</b>	<b>96,723,192</b>	<b>(163,271,215)</b>
<b>Cash Flows from Financing Activities</b>				
Dividend Paid	(5,107,803)	(2,085,947)	(5,107,803)	(2,085,947)
Payment of Bonds	-	(807,386)	-	(807,386)
Loan Repayment	(190,000,000)	-	(190,000,000)	-
Buyback of Rights Issue	(31,007,384)	-	(31,007,384)	-
Net Proceeds from Rights Issue	-	204,743,040	-	204,743,040
<b>Net Cash Flows (used in)/ Generated from Financing Activities</b>	<b>(226,115,187)</b>	<b>201,849,707</b>	<b>226,115,187</b>	<b>201,849,707</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(142,505,763)</b>	<b>29,109,841</b>	<b>(139,988,634)</b>	<b>26,538,035</b>
Cash and Cash Equivalent at 1 April	143,225,050	114,115,209	140,626,527	114,088,492
<b>Cash and Cash Equivalent at 31 March</b>	<b>719,287</b>	<b>143,225,050</b>	<b>637,893</b>	<b>140,626,527</b>

# 02



## NOTE TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

29 JULY 2020



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company was incorporated as a private limited company in the Republic of Mauritius on 4 October 1993. The consolidated and separate financial statements for the year ended 31 March 2020 comprise of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associate. The principal activity of the Company and the Group is that of investment holding.

The Company as a holder of a Category 1 Global Business Licence under the Companies Act and the Financial Services Act 2007 is required to carry on its business in a currency other than the Mauritian rupee. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies the Company has chosen to retain the United States Dollar (USD) as its reporting currency.

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

In the current year, the Group and the Company have applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are effective for accounting periods beginning on or after 1 April 2019.

### 2.1. NEW ACCOUNTING PRONOUNCEMENTS ADOPTED AT THE BEGINNING OF 01 APRIL 2019

There are no new accounting pronouncements that are effective for the first time for annual period beginning on 01 April 2019, that have a material impact on the Company's financial statements.

### 2.2. NEW ACCOUNTING PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY

The new standards, amendments to existing standards and interpretations are effective for annual periods beginning after 01 April 2019 and have not been early adopted by the Company are not expected to have a material impact on the Company's financial statements.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### (A) BASIS OF PREPARATION

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), interpretations issued by the IASB, and comply with the Mauritius Companies Act 2001 in so far as applicable to GBL1 Companies. The consolidated and separate financial statements have been prepared on a historical cost basis, except where stated otherwise.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's and the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas involving a higher degree of judgement or complexity, or areas where critical estimates and assumptions are significant to the consolidated and separate financial statements are disclosed in Note 4.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## **(B) BASIS OF CONSOLIDATION**

### **(I) SUBSIDIARIES**

A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiaries in the separate statement of financial position is stated at fair value under IFRS 9.

### **(II) NON-CONTROLLING INTEREST**

Non-controlling interest in the equity and results of the entities that are controlled by the Group is shown as a separate item in the consolidated financial statements.

Non-controlling interest is measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### **(III) LOSS OF CONTROL**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### **(IV) INVESTMENTS IN ASSOCIATE**

The Group's interests in equity-accounted investees comprise of interests in associates. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, until the date on which significant influence or joint control ceases.

### **(V) TRANSACTIONS ELIMINATED ON CONSOLIDATION**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **(C) FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the consolidated and separate financial statements are measured using the currency of the primary economic environment in which the Group and the Company operate (the "functional currency"). The financial statements of the Group and the Company are presented in United States Dollars ("USD"), which is also the functional currency of the Group and the Company.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Transactions in foreign currencies are translated into the functional currency of the Group and the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI.

- Financial assets at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

## **(D) REVENUE RECOGNITION**

Dividend income is recognised in the consolidated and separate statement of profit or loss and other comprehensive income on the date that the Group's and the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

## **(E) FINANCE INCOME AND FINANCE COSTS**

The Group's and Company's finance income and finance costs include:

- Interest income;
- Interest expense; and
- The foreign currency gain or loss on financial assets and financial liabilities.

### **(I) INTEREST INCOME**

Interest income relates to bank interest received and interest on non-convertible preference shares and is recognised, using the effective interest method.

### **(II) INTEREST EXPENSE**

Interest expense is recognised on loan in the consolidated and separate statement of profit or loss and other comprehensive income.

### **(III) FOREIGN CURRENCY GAIN OR LOSS**

Transactions in foreign currencies are translated at the foreign exchange rate at the date of transaction. Foreign exchange differences arising on translation are recognised in the statement of profit or loss and other comprehensive income.

## **(F) TAXATION**

Income tax expense comprises of current and deferred tax. It 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.

### **(I) CURRENT TAX**

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the period. The amount of current tax payable or receivable is the best estimate of the tax amount

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

## (II) 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 assets are recognised for unused tax losses, unused 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 used. 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; such reductions are reversed when the probability of future taxable profits improves.

*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, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting date, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

## (G) SHARE WARRANTS

Share warrants are classified as equity by considering the Company's residual interest in the investment after deduction of all its related liabilities and they will also be settled by the issuer for a fixed number of its own equity instruments.

## (H) 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.

## (I) TREASURY SHARES

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## (J) FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### FINANCIAL ASSETS

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

#### CLASSIFICATION OF FINANCIAL ASSETS

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured at fair value through other comprehensive income (FVTOCI):

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

By default, all other financial assets are measured at fair value through profit or loss (FVTPL).

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

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

The Group's and Company's financial assets at amortised cost include cash and cash equivalents, other receivables and investments at fair value through other comprehensive income.



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## AMORTISED COST AND EFFECTIVE INTEREST METHOD

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

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

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

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included as a separate line item.

## FOREIGN EXCHANGE GAINS AND LOSSES

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

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in investment revaluation reserve.

## DERECOGNITION

A financial asset is primarily derecognised when:

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

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, they continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

## IMPAIRMENT OF FINANCIAL ASSETS

For loan and receivables, the Group and the Company applied a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

## FINANCIAL LIABILITIES

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, they are recognised net of directly attributable transaction costs. The Group's and Company's financial liabilities include loan from external party and other payables.

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

Financial instruments designated as at FVTPL upon initial recognition: these include equity securities that are not held for trading. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Group and the Company, as set out in the Group's and the Company's constitution.

## LOANS AND BORROWINGS

This is the most important category to the Group and the Company. Any loans and borrowings would subsequently be measured at amortised cost using the effective interest method.

## AMORTISED COST AND EFFECTIVE INTEREST METHOD

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

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## **(K) EQUIPMENT**

Equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of the assets, to their residual values over their estimated useful life as follows:

	Annual Rate
Office Equipment	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each end of reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amounts and are included in profit or loss.

## **(L) IMPAIRMENT OF NON-FINANCIAL ASSETS**

At each reporting date, the Group and the Company review the carrying amounts of their assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use, that is the present value of estimated future cash flows expected to arise from continuing to use the asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

An impairment loss is recognised as an expense in profit or loss immediately, unless the asset is carried at revalued amount in which case the impairment loss is recognised against the fair value reserve for the asset to the extent that the impairment loss does not exceed the amount held in the fair value reserve for that same asset. Any excess is recognised immediately in profit or loss.

## **(M) PROVISIONS**

Provisions are recognised in the consolidated and separate statement of financial position when the Group and Company have a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

estimate of the amount can be made.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

## **(N) CASH AND CASH EQUIVALENTS**

Cash comprises of cash at bank and cash in hand and is measured at amortised cost. 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.

## **(O) EXPENSE RECOGNITION**

Expenses are accounted for in the statement of profit or loss and other comprehensive income on the accruals basis.

## **(P) RELATED PARTIES**

Related parties may be individuals or other entities where the individual or other entities have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in governing the financial and operating policies, or vice versa, or where the Company is subject to common control or common significant influence.

## **(Q) COMPARATIVE FIGURES**

Comparative figures have been regrouped or reclassified, where necessary, to conform to the current year's presentation.

## **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations 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.

### DETERMINATION OF FUNCTIONAL CURRENCY

The Board of Directors considers the United States Dollar ("USD") the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Group and the Company measure their performance and report their results.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## MEASUREMENT OF FAIR VALUES

A number of the Group's and the Company's accounting policies and disclosures require the measurement of fair value, for financial assets.

The Group and the Company have established control framework with respect to the measurement of fair values. When measuring fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs on the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## IMPAIRMENT OF ASSETS

Equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on the higher of its fair value less cost to sell and value in use, calculated on the basis of management's assumptions and estimates. Changing the key assumptions, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the value-in-use calculations.

## BUSINESS MODEL ASSESSMENT

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group and the Company determine the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

## 5. REVENUE

	THE GROUP		THE COMPANY	
	2020	2019	2020	2019
	USD	USD	USD	USD
	9,474,264	9,812,238	6,970,816	7,212,471

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 6. NET FINANCE INCOME

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
<b>FINANCE INCOME</b>				
Interest Received	9,743,607	10,853,864	9,739,822	10,820,524
Exchange Gain	2,831	72,644	2,819	72,635
	<b>9,746,438</b>	<b>10,926,508</b>	<b>9,742,641</b>	<b>10,893,159</b>
<b>FINANCE COSTS</b>				
Interest Expense	(8,930,186)	(9,569,170)	(8,490,395)	(9,569,170)
Exchange Loss	(39,580)	(10,999)	(39,580)	(10,999)
	<b>(8,969,766)</b>	<b>(9,580,169)</b>	<b>(8,529,975)</b>	<b>(9,580,169)</b>
<b>NET FINANCE INCOME</b>	<b>776,672</b>	<b>1,346,339</b>	<b>1,212,666</b>	<b>1,312,990</b>

## 7. TAXATION

### The Group & the Company

The Group and the Company are subject to income tax in Mauritius at the rate of 15% (2019: 15%). They are, however, entitled to a tax credit equivalent to the higher of the foreign tax paid or 80% (2019: 80%) of the Mauritian tax on their foreign source income.

As a tax resident of Mauritius, the Group and the Company expect to obtain benefits under the double taxation treaty between India and Mauritius ("DTAA"). In 2016, the governments of India and Mauritius revised the existing DTAA where certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 are exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius.

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

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

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## RECOGNISED IN THE CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.

### CURRENT TAX EXPENSE

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Tax expense for current year	60,906	75,629	-	-
Under provision in previous year	1,291	-	-	-
	<b>62,197</b>	<b>75,629</b>	<b>-</b>	<b>-</b>

### RECONCILIATION OF EFFECTIVE TAX

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
PROFIT BEFORE TAXATION	7,560,928	12,744,354	5,610,442	10,187,627
Income tax at 15%	1,134,139	1,911,653	841,566	1,528,144
Tax exempt income	(6,300)	(557,250)	(5,144)	(544,247)
Non-allowable expenses	600,186	1,096,480	593,146	1,096,092
Unutilised tax losses	6,072	7,249	-	-
Foreign tax credit	(1,673,191)	(2,382,503)	(1,429,568)	(2,079,989)
<b>TAX EXPENSE</b>	<b>60,906</b>	<b>75,629</b>	<b>-</b>	<b>-</b>

THE TAX LOSSES FOR THE SUBSIDIARIES ARE AVAILABLE TO CARRY FORWARD AGAINST FUTURE PROFITS BY LATEST OVER THE FOLLOWING YEARS:

FINANCIAL YEAR	EXPIRY DATE	TAX LOSSES USD
2019	2024	57,834
2020	2025	40,476

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
At 01 April	25,763	34,934	-	-
Current year income tax	62,197	75,629	-	-
Tax paid	(84,744)	(84,800)	-	-
<b>INCOME TAX PAYABLE</b>	<b>3,216</b>	<b>25,763</b>	<b>-</b>	<b>-</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 8. INVESTMENT IN ASSOCIATE

	THE GROUP	
	2020 USD	2019 USD
<b>COST</b>		
At 31 March	248,930	248,930
<b>ACCUMULATED SHARE OF PROFIT</b>		
At 01 April 2019 and 01 April 2018	1,744,280	1,495,714
Movement during the year	(1,623,838)	248,566
<b>At 31 March</b>	<b>120,442</b>	<b>1,744,280</b>
<b>CARRYING VALUE</b>		
At 31 March	369,372	1,993,210

### 8a. ANALYSIS OF INVESTMENTS IN ASSOCIATE (THE GROUP)

NAME OF COMPANY	COUNTRY OF INCORPORATION	% HELD	PRINCIPAL ACTIVITY	INITIAL COST USD 2020 & 2019	CARRYING AMOUNT USD 2020	CARRYING AMOUNT USD 2019
<b>Associate</b>						
IndusInd Information Technology Limited	India	49.99	Software Development	248,930	369,372	1,993,210

### INVESTMENT IN INDUSIND INFORMATION TECHNOLOGY LIMITED CONSISTS OF UNQUOTED SHARES:

	CARRYING AMOUNT 2020 USD	CARRYING AMOUNT 2019 USD
Cost	248,930	248,930
Share of profit for prior years	2,414,571	2,327,893
Company's share of profit of associate for the year	7,702	86,678
Company's share of OCI for the year	(1,561,986)	262,251
Company's share of OCI of associate for the previous year	262,251	-
Exchange difference on re-translation	(1,002,096)	(932,542)
<b>At 31 March</b>	<b>369,372</b>	<b>1,993,210</b>



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 8b. INVESTMENT IN INDUSIND INFORMATION TECHNOLOGY LIMITED

### SUMMARISED FINANCIAL INFORMATION IN RESPECT OF THE ASSOCIATE IS SET OUT BELOW:

	2020 USD	2019 USD
Total assets	765,167	4,122,424
Total liabilities	(26,335)	(135,206)
Net assets	738,832	3,987,218
<b>Group's share of associate's net assets (49.99%)</b>	<b>369,372</b>	<b>1,993,210</b>
Revenue	16,922	244,864
Profit for the year	15,408	173,390
<b>Group's share of profit of associate (49.99%)</b>	<b>7,702</b>	<b>86,678</b>
<b>THE COMPANY</b>	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
<b>COST</b>		
<b>At 01 April and 31 March</b>	<b>248,930</b>	<b>248,930</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 9. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments consist of unquoted and quoted shares. Quoted shares are listed on the Bombay Stock Exchange. The market value has been obtained from the National Stock Exchange as at 31 March 2020.

### THE GROUP - 2020

	Quoted USD	Unquoted USD	Total USD
<b>Cost</b>			
At 01 April 2019	201,793,101	85,517,550	287,310,651
Additions	-	300,000	300,000
Diminution in share price	-	(562,903)	(562,903)
Transfer from FVTPL (Note 10)	-	99,441,702	99,441,702
<b>At 31 March 2020</b>	<b>201,793,101</b>	<b>184,696,349</b>	<b>386,489,450</b>
<b>Unrealised appreciation/(depreciation)</b>			
At 01 April 2019	2,089,103,386	(54,375,306)	2,034,728,080
Movement during the year	(1,904,225,082)	(31,410,524)	(1,935,635,606)
Transfer from FVTPL (Note 10)	-	87,606,821	87,606,821
<b>At 31 March 2020</b>	<b>184,878,304</b>	<b>1,820,991</b>	<b>186,699,295</b>
<b>Market value</b>			
<b>At 31 March 2020</b>	<b>386,671,405</b>	<b>186,517,340</b>	<b>573,188,745</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 9. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments consist of unquoted and quoted shares. Quoted shares are listed on the Bombay Stock Exchange. The market value has been obtained from the National Stock Exchange as at 31 March 2020.

Up to 31 March 2020, the following investments were classified as available-for-sale investments.

### THE GROUP - 2019

	Quoted USD	Unquoted USD	Total USD
<b>Cost</b>			
<i>At 01 April 2018</i>	190,143,101	188,110,213	378,253,314
Additions	11,650,000	8,741,680	20,391,680
Transfer to FVTPL (Note 10)	-	(111,334,343)	(111,334,343)
<b>At 31 March 2019</b>	<b>201,793,101</b>	<b>85,517,550</b>	<b>287,310,651</b>
<b>Unrealised appreciation/(depreciation)</b>			
<i>At 01 April 2018</i>	2,255,290,100	95,467,324	2,350,757,424
Movement during the year	(166,186,714)	(49,804,856)	(215,991,570)
Transfer to FVTPL (Note 10)	-	(100,037,774)	(100,037,774)
<b>At 31 March 2019</b>	<b>2,089,103,386</b>	<b>(54,375,306)</b>	<b>2,034,728,080</b>
<b>Market value</b>			
<b>At 31 March 2019</b>	<b>2,290,896,487</b>	<b>31,142,244</b>	<b>2,322,038,731</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 9. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments consist of unquoted and quoted shares. Quoted shares are listed on the Bombay Stock Exchange. The market value has been obtained from the National Stock Exchange as at 31 March 2020.

### THE COMPANY - 2020

	Quoted USD	Unquoted USD	Total USD
<b>COST</b>			
<i>At 1 April 2019</i>	137,453,261	85,517,550	222,970,811
Additions	-	300,000	300,000
Diminution in Share Price	-	(562,903)	(562,903)
Transfer to FVTPL (Note 10)	-	99,441,702	99,441,702
<b>At 31 March 2020</b>	<b>137,453,261</b>	<b>184,696,349</b>	<b>322,149,610</b>
<b>Unrealised Appreciation/(Depreciation)</b>			
<i>At 1 April 2019</i>	1,575,759,755	(54,375,306)	1,521,384,449
Movement during the Year	(1,402,758,017)	(31,410,524)	(1,434,168,541)
Transfer to FVTPL (Note 10)	-	87,606,821	87,606,821
<b>At 31 March 2020</b>	<b>173,001,738</b>	<b>1,820,991</b>	<b>174,822,729</b>
<b>Market Value</b>			
<b>At 31 March 2020</b>	<b>310,454,999</b>	<b>186,517,340</b>	<b>496,972,339</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 9. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments consist of unquoted and quoted shares. Quoted shares are listed on the Bombay Stock Exchange. The market value has been obtained from the National Stock Exchange as at 31 March 2020.

Up to 31 March 2020, the following investments were classified as available-for-sale investments.

### THE COMPANY - 2019

	Quoted USD	Unquoted USD	Total USD
<b>COST</b>			
<i>At 1 April 2018</i>	125,803,261	188,110,213	313,913,474
Additions	11,650,000	8,741,680	20,391,680
Transfer to FVTPL (Note 10)	-	(111,334,343)	(111,334,343)
<b>At 31 March 2019</b>	<b>137,453,261</b>	<b>85,517,550</b>	<b>222,970,811</b>
<b>Unrealised Appreciation/(Depreciation)</b>			
<i>At 1 April 2018</i>	1,697,264,270	95,467,324	1,792,731,594
Movement during the Year	(121,504,515)	(49,804,856)	(171,309,371)
Transfer to FVTPL (Note 10)	-	(100,037,774)	(100,037,774)
<b>At 31 March 2019</b>	<b>1,575,759,755</b>	<b>(54,375,306)</b>	<b>1,521,384,449</b>
<b>Market Value</b>			
<b>At 31 March 2019</b>	<b>1,713,213,016</b>	<b>31,142,244</b>	<b>1,744,355,260</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



## 9a. NET CHANGE IN INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Fair value movement during the year (Notes 8, 9 and 10)	(1,944,188,705)	(215,991,569)	(1,913,932,271)	(211,142,208)
	<b>(1,944,188,705)</b>	<b>(215,991,569)</b>	<b>(1,913,932,271)</b>	<b>(211,142,208)</b>



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 9b. PORTFOLIO OF INVESTMENTS (THE GROUP)

Name Of Company	Country Of Incorporation	% Held	Principal Activity	Cost	Market Value	Cost	Market Value
				USD 2020	USD 2020	USD 2019	USD 2019
<b>FVTOCI</b>							
IndusInd Media & Communication Ltd (Unquoted)	India	10.06	Telecom Communications	84,954,647	33,364,318	85,517,550	31,142,244
Hinduja Leyland Finance (Unquoted)	India	16.82	Non-Banking Finance Company	99,441,702	152,853,022	-	-
IndusInd Bank Limited (Quoted)	India	15	Banking Services	201,793,101	386,671,405	201,793,101	2,290,896,487
Afrinex Limited	Mauritius	3	Technology	300,000	300,000	-	-
<b>Total</b>				<b>386,489,450</b>	<b>573,188,745</b>	<b>287,310,651</b>	<b>2,322,038,731</b>

## PORTFOLIO OF INVESTMENTS (THE COMPANY)

Name Of Company	Country Of Incorporation	% Held	Principal Activity	Cost	Market Value	Cost	Market Value
				USD 2020	USD 2020	USD 2019	USD 2019
<b>FVTOCI</b>							
IndusInd Media & Communication Ltd (Unquoted)	India	10.06	Telecom Communications	84,954,647	33,364,318	85,517,550	31,142,244
Hinduja Leyland Finance (Unquoted)	India	16.82	Non-Banking Finance Company	99,441,702	152,853,022	-	-
IndusInd Bank Limited (Quoted)	India	11.05	Banking Services	137,453,261	310,454,999	137,453,261	1,713,213,016
Afrinex Limited	-	-	-	300,000	300,000	-	-
<b>Total</b>				<b>322,149,610</b>	<b>496,972,339</b>	<b>222,970,811</b>	<b>1,744,355,260</b>

### AVAILABLE-FOR-SALE INVESTMENTS

IndusInd Media & Communication Ltd (Unquoted)

### RESTRICTION ON DISPOSAL OF SHARES

The disposal of shares shall be subject to the extent FDI policy, applicable FEMA regulations and RBI guidelines as may be prescribed from time to time.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 10. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

### THE GROUP AND THE COMPANY

Up to 31 March 2020, the following investments were classified as available-for-sale investments.

	2020 USD	2019 USD
<b>COST</b>		
<i>At 01 April 2019 and 01 April 2018</i>	99,441,702	-
Transfer to FVTOCI	(99,441,702)	-
Transfer from FVTOCI (Note 9)	-	111,334,343
Additions	-	5,034,859
Disposals	-	(16,927,500)
	<b>-</b>	<b>99,441,702</b>
<b>FAIR VALUE</b>		
<i>At 01 April 2019 and 01 April 2018</i>	87,606,821	-
Transfer to FVTOCI	(87,606,821)	-
Transfer from FVTOCI (Note 9)	-	100,037,774
Movement during the year	-	(12,430,953)
<b>At 31 March</b>	<b>-</b>	<b>87,606,821</b>
<b>MARKET VALUE</b>		
<b>At 31 March</b>	<b>-</b>	<b>187,048,523</b>

### THE GROUP AND THE COMPANY

Name Of Company	Country Of Incorporation	% Held	Principal Activity	Cost	Market Value	Cost	Market Value
				USD 2020	USD 2020	USD 2019	USD 2019
<b>FVTPL</b>							
Hinduja Leyland Finance (Unquoted)	India	16.82	Non-Banking Finance Company	-	-	99,441,702	187,048,523
<b>Total</b>				<b>-</b>	<b>-</b>	<b>99,441,702</b>	<b>187,048,523</b>



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 11. INVESTMENT IN SUBSIDIARIES

### THE COMPANY

Up to 31 March 2020, the following investments were classified as available-for-sale investments. On the date of initial application of IFRS 9, these have been classified as fair value through OCI.

	2020 USD	2019 USD
<b>Cost</b>		
<b>At 31 March</b>	<b>45,068,792</b>	<b>45,068,792</b>
<b>Unrealised Appreciation</b>		
At 01 April 2017 and 2018	510,870,101	550,702,939
Movement during the year	(473,476,882)	(39,832,838)
<b>At 31 March</b>	<b>37,393,219</b>	<b>510,870,101</b>
<b>Market value</b>		
<b>At 31 March</b>	<b>82,462,011</b>	<b>555,938,893</b>

### 11a. PORTFOLIO OF INVESTMENTS

Name Of Company	Country Of Incorporation	% Held	Principal Activity	Cost	Market Value	Cost	Market Value
				USD 2020	USD 2020	USD 2019	USD 2019
<b>SUBSIDIARIES</b>							
IndusInd Ltd	Mauritius	94.36	Investment Holding	45,038,792	82,432,011	45,038,792	555,938,893
IndusInd Capital Ltd	Mauritius	100	Investment Holding	10,000	10,000	10,000	10,000
IndusInd Finance Ltd	Mauritius	100	Investment Holding	10,000	10,000	10,000	10,000
IndusInd Venture Ltd	Mauritius	100	Investment Holding	10,000	10,000	10,000	10,000

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 12. SHARE WARRANTS

### THE COMPANY

Up to 31 March 2020, the following investments were classified as available-for-sale investments. On the date of initial application of IFRS 9, these have been classified as fair value through OCI.

	2020 USD	2019 USD
<b>Cost</b>		
<i>At 01 April 2019 and 01 April 2018</i>	-	-
Addition during the year	97,995,634	-
<b>At 31 March</b>	<b>97,995,634</b>	<b>-</b>
<b>Unrealised Appreciation</b>		
<i>At 01 April 2019 and 2018</i>	-	-
Movement during the year	(8,553,099)	-
<b>At 31 March</b>	<b>(8,553,099)</b>	<b>-</b>
<b>Market value</b>		
<b>At 31 March</b>	<b>89,442,535</b>	<b>-</b>
	2020 USD	2019 USD
<b>Cost</b>		
<i>At 01 April 2019 and 01 April 2018</i>	-	-
Addition during the year	72,031,450	-
<b>At 31 March</b>	<b>72,031,450</b>	<b>-</b>
<b>Unrealised Appreciation</b>		
<i>At 01 April 2019 and 2018</i>	-	-
Movement during the year	(6,286,848)	-
<b>At 31 March</b>	<b>(6,286,848)</b>	<b>-</b>
<b>Market value</b>		
<b>At 31 March</b>	<b>65,744,602</b>	<b>-</b>

The Company had subscribed for 11,592,439 share warrants of INR 1,709 each for a total consideration of INR 19,811,478,251 with 25% upfront payment which has been recognised and revalued in the financial statements.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 13. EQUIPMENT

	Computer Equipment USD	Office Equipment USD	Total USD
<b>Cost</b>			
Opening balance at 01 April 2019	-	28,108	28,108
Acquisitions during the year	3,268	-	3,268
<b>Closing balance at 31 March 2020</b>	<b>3,268</b>	<b>28,108</b>	<b>31,376</b>
<b>Depreciation</b>			
Opening balance at 01 April 2019	-	5,622	5,622
Charge for the year	-	5,622	5,622
<b>Closing balance at 31 March 2020</b>	<b>-</b>	<b>11,244</b>	<b>11,244</b>
<b>Net Book Value</b>			
At 31 March 2019	-	22,486	22,486
<b>At 31 March 2020</b>	<b>3,268</b>	<b>16,864</b>	<b>20,132</b>

The directors consider that the equipment is not impaired at the reporting date.

## 14. OTHER RECEIVABLES AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Prepayments	34,295	20,845	30,292	18,046
Loan to subsidiaries*	-	-	47,508,689	25,885,287
Receivable from third party**	14,235,826	188,000,000	14,235,826	188,000,000
Interest receivables	1,952,417	2,607,613	1,952,417	2,607,613
Other receivables	62,767	983,706	62,767	983,706
	<b>16,285,305</b>	<b>191,612,164</b>	<b>63,789,991</b>	<b>217,494,652</b>

\* The loan to subsidiary is unsecured, interest free and is repayable on demand.

\*\* The receivable from third party bears interest that has been accrued in the financial statements. The receivable bears a fixed interest rate of 4% per annum and is unsecured and is repayable on demand.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 15. EQUITY

### STATED CAPITAL

	THE GROUP & COMPANY	
	2020 USD	2019 USD
<i>Issued and fully paid</i>		
<b>Ordinary shares of USD 1 each</b>	<b>35,948,227</b>	<b>35,948,227</b>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company but this provision shall be subject to the provisions with respect to voting power attached to any shares which may be subject to special conditions.

### NATURE AND PURPOSE OF THE RESERVES

#### OTHER RESERVE

Other reserve includes share premium raised on rights issue. In October 2016, the board approved the issue of 6,017,896 ordinary equity shares with a put option at par value of USD 1. Issue price for each ordinary equity share issued in 2016 was USD 20 which included share premium of USD 19 each. In September 2018, the board approved the right issue of 5,856,860 ordinary equity shares with a put option at par value of USD 1. Issue price for each ordinary equity share issued in 2018 is USD 35 which includes share premium of USD 34 each.

In 2019, 169,100 shares issued in 2016 were redeemed at USD 26 and 625,397 shares issued in 2018 were redeemed at USD 38.5.

#### REVALUATION RESERVE

The revaluation reserve relates to any surplus arising on changes in fair value of investments at fair value through OCI.

#### REVENUE RESERVE

The revenue reserve consists of accumulated retained earnings.

#### TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

## 16. TREASURY SHARES

The Company bought-back its issued shares as follows:

	THE GROUP & COMPANY	
	2020 USD	2019 USD
<i>Balance at 01 April</i>	<b>1,886</b>	5,858,746
Right Issue	<b>921,146</b>	(5,856,860)
<b>Balance at 31 March</b>	<b>923,032</b>	<b>1,886</b>

During the year 2019, 169,100 shares issued in 2016 were redeemed at USD 26 and 625,397 shares issued in 2018 were redeemed at USD 38.5.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 17. NON-CONTROLLING INTERESTS

The following table summarises the information relating to each of the Group's subsidiaries that has a material NCI, before any intra-group eliminations.

<b>2020</b>	<b>USD</b>
<b>Country of Incorporation</b>	<b>Mauritius</b>
<b>Percentage of NCI</b>	<b>5.64%</b>
<i>As at 31 March 2020</i>	
Non-Current Assets	134,681,407
Current Assets	75,676
Current Liabilities	(47,458,927)
Net Assets	87,298,156
Net Assets Attributable to Owners of the Company	84,532,568
Net Assets Attributable to NCI	2,765,588
Revenue	2,503,448
Profit	1,983,261
Other Comprehensive Income	(503,733,317)
Total Comprehensive Income	(501,812,253)
Profit Attributable to NCI	108,348
OCI Allocated to NCI	(28,410,559)
<b>NCI Share of Cash Flow Used in Operating Activities</b>	<b>(1,453,817)</b>
<b>NCI Share of Cash Flow From Financing Activities</b>	<b>2,634,831</b>
<b>NCI Share of Cash Flow Used in Investing Activities</b>	<b>(1,322,972)</b>
<b>NCI Share of Net Decrease in Cash and Cash Equivalents</b>	<b>(141,958)</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The following table summarises the information relating to each of the Group's subsidiaries that has a material NCI, before any intra-group eliminations.

<b>2019</b>	<b>USD</b>
<b>Country of Incorporation</b>	<b>Mauritius</b>
<b>Percentage of NCI</b>	<b>5.64%</b>
<i>As at 31 March 2019</i>	
Non-Current Assets	612,450,539
Current Assets	2,591,601
Current Liabilities	(25,931,731)
Net Assets	589,110,409
Net Assets Attributable to Owners of the Company	558,042,610
Net Assets Attributable to NCI	31,067,799
Revenue	2,599,767
Profit	2,442,745
Other Comprehensive Income	(44,682,198)
Total Comprehensive Income	(42,239,453)
Profit Attributable to NCI	137,771
OCI Allocated to NCI	(2,520,076)
<b>NCI Share of Cash Flow Used in Operating Activities</b>	<b>(2,625)</b>
<b>NCI Share of Cash Flow From Financing Activities</b>	<b>28</b>
<b>NCI Share of Cash Flow Used in Investing Activities</b>	<b>148,507</b>
<b>NCI Share of Net Decrease in Cash and Cash Equivalents</b>	<b>145,911</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 18. OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Dividends and Bonds Payable	880,199	1,674,201	880,199	1,674,201
Other Creditors and Accruals	572,200	687,889	475,923	558,429
Payable to Investee	-	1,011,600	-	1,011,600
Interest Payable	-	328,251	-	328,251
	<b>1,452,399</b>	<b>3,701,941</b>	<b>1,356,122</b>	<b>3,572,481</b>

## 19. LOAN

	2020 USD	2019 USD
<i>Balance at 01 April 2019 and 2018</i>	190,000,000	200,000,000
Received during the Year	-	-
Repayment during the Year	(190,000,000)	(10,000,000)
<b>Balance at 31 March</b>	<b>-</b>	<b>190,000,000</b>

Loan payable amounting to USD 190,000,000 was repaid during the year. The rate of interest on loan was the percentage rate per annum which was the aggregate of the applicable margin of 2.25% and LIBOR which was calculated on a daily basis. From 23 March 2018, the loan bore a fixed rate of interest of 4.85 % p.a. The loan is secured and repayable on 19 December 2019. The loan is secured by a pledge on the shares of IndusInd Ltd held by the Company. IndusInd Ltd has in turn given a Non-Disposal undertaking for the 23,800,000 shares it holds in IndusInd Bank Limited. The guarantee provided by IndusInd Ltd has been lifted as the loan has been repaid in full.

## 20. DIVIDEND DECLARED

### THE GROUP AND THE COMPANY

	2020 USD	2019 USD
Dividend declared of USD 0.12 cents per share (2019: USD 0.06 cents per share)	4,313,801	1,805,369

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 21. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

### OVERVIEW

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Group and the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and the Company's activities.

### CREDIT RISK

Credit risk represents the potential loss that the Group and the Company would incur if counter parties failed to perform pursuant to the terms of their obligations to the Group and the Company. The Group and the Company limit their credit risk by carrying out transactions only with related parties and reputable parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated and separate statement of financial position.

### LIQUIDITY RISK

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

### MARKET RISK

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Group's and the Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. The Group and the Company conduct their investment operations in a manner that seeks to exploit the potential gains in the market, while limiting their exposure to market declines.

### INTEREST RATE RISK

The Group and the Company finance their operations through retained profits at market interest rates. This strategy allows them to capitalise on cheaper funding and to manage the risk on an ongoing basis.

### CURRENCY RISK

The Group and the Company invest in financial assets and financial liabilities denominated in Indian Rupee (INR). Consequently, the Group and the Company are exposed to the risk that the exchange rate of the USD relative to the INR may change in a manner which has a material effect on the reported values of the Group and the Company's financial assets and financial liabilities which are denominated in INR.





# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## EQUITY PRICE RISK

The Group and the Company are exposed to equity price risk, which arises from quoted FVTOCI investments. The management of the Group and Company monitors the proportion of equity securities in its investment portfolio based on market indices.

## CAPITAL MANAGEMENT

The Group and the Company primary objectives when managing capital are to safeguard the Group and Company's ability to continue as a going concern. As the Company is part of a larger group, the Group and the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the Group's and the Company's capital management objectives.

The Company defines "capital" as including all components of equity. Trading balances that arise as a result of trading transactions with other group companies are not regarded by the Company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the Group. 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.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## THE GROUP

	Fair value through profit or loss USD	Fair value through other comprehensive income USD	At Amortised cost USD	Total Carrying amount USD
<b>31 March 2020</b>				
<i>Financial Assets Measured at Fair Value</i>				
Investments	-	573,188,745	-	573,188,745
<i>Financial Assets at Amortised Cost</i>				
Cash and Cash Equivalents	-	-	719,287	719,287
Other Receivables	-	-	16,251,010	16,251,010
	-	-	16,970,297	16,970,297
<i>Financial Liabilities at Amortised Cost</i>				
Dividend and Bonds Payable			880,199	880,199
Other Creditors and Accruals			566,612	566,612
	-	-	1,446,811	1,446,811
<b>31 March 2019</b>				
<i>Financial Assets Measured at Fair Value</i>				
Investments	187,048,523	2,322,038,731	-	2,509,087,254
<i>Financial Assets at Amortised Cost</i>				
Cash and Cash Equivalents	-	-	143,225,050	143,225,050
Other Receivables	-	-	190,737,242	190,737,242
	-	-	333,962,292	333,962,292
<i>Financial Liabilities at Amortised Cost</i>				
Loan from Citibank	-	-	190,000,000	190,000,000
Dividend and Bonds Payable	-	-	1,674,201	9,494,201
Other Payables	-	-	2,022,970	2,022,970
	-	-	193,697,171	193,697,171

Prepayments amounting to USD 34,295 (2019: USD 20,845) and non-financial assets amounting to USD 854,077 have been excluded in financial assets for the financial year ending 31 March 2019. Pay as You Earn and Tax Deducted at Source payable amounting to USD 5,588 (2019: USD 4,770) have been excluded in financial liabilities for the financial year ending 31 March 2020.

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## THE COMPANY

	Fair Value through Profit or Loss USD	Fair Value through Other Comprehensive Income USD	At Amortised Cost USD	Total Carrying Amount USD
<b>31 March 2020</b>				
<b>Financial Assets Measured at Fair Value</b>				
Investments	-	645,178,952	-	645,178,952
	<b>-</b>	<b>645,178,952</b>	<b>-</b>	<b>645,178,952</b>
<b>Financial Assets at Amortised Cost</b>				
Cash and Cash Equivalents	-	-	<b>637,893</b>	637,893
Other Receivables	-	-	<b>63,759,699</b>	63,759,699
	<b>-</b>	<b>-</b>	<b>64,397,592</b>	<b>64,397,592</b>
<b>Financial Liabilities at Amortised Cost</b>				
Dividend and Bonds Payable	-	-	<b>880,199</b>	880,199
Other Payables	-	-	<b>470,335</b>	470,335
	<b>-</b>	<b>-</b>	<b>1,350,534</b>	<b>1,350,534</b>
<b>31 March 2019</b>				
<b>Financial Assets Measured at Fair Value</b>				
Investments	-	-	-	-
	<b>187,048,523</b>	2,300,294,153	-	2,487,342,676
	<b>187,048,523</b>	<b>2,300,294,153</b>	<b>-</b>	<b>2,487,342,676</b>
<b>Financial Assets at Amortised Cost</b>				
Cash and Cash Equivalents	-	-	<b>140,626,527</b>	140,626,527
Other Receivables	-	-	<b>216,622,529</b>	216,622,529
	<b>-</b>	<b>-</b>	<b>357,249,056</b>	<b>357,249,056</b>
<b>Financial Liabilities at Amortised Cost</b>				
Loan from Citibank	-	-	-	190,000,000
Dividends and Bonds Payable	-	-	-	1,674,201
Other Payables	-	-	-	1,893,510
	<b>-</b>	<b>-</b>	<b>-</b>	<b>193,567,710</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Prepayments amounting to USD 30,292 (2019: USD 18,046) and non-financial assets amounting USD 854,077 have been excluded in financial assets for the financial year ending 31 March 2019. Pay as You Earn and Tax Deducted at Source payable amounting to USD 5,588 (2019: USD 4,770) have been excluded in financial liabilities for the financial year ending 31 March 2020.

Except for the investments, which are measured at fair value, the carrying amounts of all the other financial assets and financial liabilities approximate their fair values.

## CURRENCY PROFILE

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

### THE GROUP

	Financial Assets	Financial Liabilities	Financial Assets	Financial Liabilities
	2020 USD	2020 USD	2019 USD	2019 USD
USD	16,935,007	1,446,811	333,879,965	192,685,571
INR	573,188,745	-	2,509,087,254	1,011,600
MUR	35,290	-	82,327	-
	<b>590,159,042</b>	<b>1,446,811</b>	<b>2,843,049,546</b>	<b>193,697,171</b>

### THE COMPANY

USD	212,568,915	1,350,534	913,105,623	192,556,110
INR	496,972,339	-	1,931,403,782	1,011,600
MUR	35,290	-	82,327	-
	<b>709,576,544</b>	<b>1,350,534</b>	<b>2,844,591,732</b>	<b>193,567,710</b>

## CREDIT RISK

All receivables balance is monitored on an ongoing basis by management. Necessary provisions are made in the financials for expected credit losses. The Group and the Company are affiliated with reputable financial institutions which are a 'Symbol of Excellence' in the Banking category of the Indian economy.

## EXPOSURE TO CREDIT RISK

At the end of the financial year, there are no significant concentration of credit risk for receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
Other Receivables	16,251,010	190,737,242	63,759,699	216,622,529
Cash and Cash Equivalents	719,287	143,225,050	637,893	140,626,527
	<b>16,970,297</b>	<b>333,962,292</b>	<b>64,397,592</b>	<b>357,249,056</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## SENSITIVITY ANALYSIS

### THE GROUP AND THE COMPANY

The following shows the Group and the Company's sensitivity to the significant unobservable inputs, namely discount rate and terminal value growth rate for quoted investments.

### THE GROUP

	Quoted Investments 2020 USD	Quoted Investments 2019 USD
<b>Before Sensitivity Analysis</b>		
Fair Value of Quoted Investments	386,671,405	2,290,896,487
<b>After sensitivity analysis</b>		
<i>10% Increase in Equity Share Price</i>		
Fair Value of Quoted Investments	463,582,320	2,558,229,910
Adjustment to Opening Reserves	(34,767,068)	(34,767,068)
	428,815,252	2,523,462,842
<b>Increase in Quoted Investments</b>	<b>(42,143,847)</b>	<b>(232,566,355)</b>
<i>10% Decrease in Equity Share Price</i>		
Fair Value of Quoted Investments	379,294,626	2,093,097,200
Adjustment to Opening Reserves	(34,767,068)	(34,767,068)
	344,527,558	2,058,330,132
<b>Decrease in Quoted Investments</b>	<b>42,143,847</b>	<b>232,566,355</b>
<b>THE COMPANY</b>		
<b>Before Sensitivity Analysis</b>		
Fair Value of Quoted Investments	310,454,999	1,713,213,016
<b>After sensitivity analysis</b>		
<i>10% Increase in Equity Share Price</i>		
Fair Value of Quoted Investments	341,500,499	1,884,534,316
<b>Increase in Quoted Investments</b>	<b>(31,045,500)</b>	<b>(171,321,300)</b>
<i>10% Decrease in Equity Share Price</i>		
Fair Value of Quoted Investments	279,409,499	1,541,891,716
<b>Decrease in Quoted Investments</b>	<b>31,045,500</b>	<b>171,321,300</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## SENSITIVITY ANALYSIS

### THE GROUP AND THE COMPANY

The following shows the Group and the Company's sensitivity to the significant unobservable inputs, namely discount rate and terminal value growth rate for quoted investments.

### THE GROUP AND THE COMPANY

	Unquoted Investments 2020 USD	Unquoted Investments 2019 USD
<b>Before Sensitivity Analysis</b>		
Fair Value of Quoted Investments	186,517,340	31,142,244
<b>After Sensitivity Analysis</b>		
<i>10% Increase in Equity Share Price</i>		
Fair Value of Quoted Investments	205,139,073	34,256,470
<b>Increase in Quoted Investments</b>	<b>(18,621,733)</b>	<b>(3,114,226)</b>
<i>10% Decrease in Equity Share Price</i>		
Fair Value of Quoted Investments	167,895,607	28,028,018
<b>Decrease in Quoted Investments</b>	<b>18,621,733</b>	<b>3,114,226</b>

## LIQUIDITY RISK

### THE GROUP

	Due for less than 1 year 2020 USD	Due between 1 and 5 years 2020 USD	Total 2020 USD	Due for less than 1 year 2019 USD	Due between 1 and 5 years 2019 USD	Total 2019 USD
Financial Liabilities						
Dividend and Bonds Payable	880,199	-	880,199	1,674,201	-	1,674,201
Other Payables	566,612	-	566,612	2,022,970	-	2,022,970
Loan from Citibank	-	-	-	190,000,000	-	190,000,000
<b>Total Financial Liabilities</b>	<b>1,446,811</b>	<b>-</b>	<b>1,446,811</b>	<b>193,697,171</b>	<b>-</b>	<b>193,697,171</b>

### THE COMPANY

Financial Liabilities						
Dividend and Bonds Payable	880,199	-	880,199	1,674,201	-	1,674,201
Other Payables	470,335	-	470,335	1,893,510	-	1,893,510
Loan from Citibank	-	-	-	190,000,000	-	190,000,000
<b>Total Financial Liabilities</b>	<b>1,350,534</b>	<b>-</b>	<b>1,350,534</b>	<b>193,567,710</b>	<b>-</b>	<b>193,567,710</b>

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## FOREIGN CURRENCY SENSITIVITY ANALYSIS

The Group and the Company are mainly exposed to the Indian rupee (INR).

The following table details the Group's and the Company's sensitivity to a 10% increase and decrease in the USD against the relevant foreign currencies. 10 % is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10 % change in the foreign currency rates. A negative number below indicates a decrease in profit where the USD strengthens 10 % against the relevant currency. We also assume in the statement that all other variable remains constant.

Impact of a 10 % increase of the USD against the INR for quoted and unquoted investments.

Currency	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
INR	(55,241,438)	(228,006,878)	(45,152,030)	(175,490,198)

Impact of a 10 % Decrease of the USD against the INR.

Currency	THE GROUP		THE COMPANY	
	2020 USD	2019 USD	2020 USD	2019 USD
INR	67,517,313	278,675,073	55,185,815	214,488,020

## 22. RELATED PARTY TRANSACTIONS

During the year under review, the Group and the Company have entered into the following related party transaction:

### THE GROUP

*Transaction during the year*

NAME OF RELATED PARTY	RELATIONSHIP	NATURE	2020 USD	2019 USD
Shareholders	Shareholders	Dividend Paid	(5,107,803)	(2,085,947)
		Dividend Declared	(4,313,801)	(1,805,369)
Shareholders	Shareholders	Bond Repaid	-	(807,386)
Shareholders	Shareholders	Rights Issue	(31,007,384)	204,990,100
IndusInd Bank Ltd	Investee Company	Dividend Received	9,474,264	9,812,238
Indusind Media & Communications Ltd	Investee Company	Investment	-	1,011,600

### Balances Outstanding at 31 March:

Shareholders	Shareholders	Dividend and Bonds Payable	880,199	1,674,201
Indusind Media & Communications Ltd	Investee Company	Investment	-	1,011,600

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## THE COMPANY

### Transaction during the year

NAME OF RELATED PARTY	RELATIONSHIP	NATURE	2020 USD	2019 USD
IndusInd Ltd	Subsidiary	Loan to subsidiary	(47,370,401)	(161,431)
IndusInd Ventures Limited	Subsidiary	Advance to Subsidiary	(46,096)	(17,508)
IndusInd Capital Limited	Subsidiary	Advance to Subsidiary	(46,096)	(17,508)
IndusInd Finance Limited	Subsidiary	Advance to Subsidiary	(46,096)	(17,508)
Shareholders	Shareholders	Dividend Paid	(5,107,803)	(2,085,947)
		Dividend Declared	(4,313,801)	(1,805,369)
Shareholders	Shareholders	Bonds Repaid	-	(807,386)
		Rights Issue	(31,007,384)	204,990,100
IndusInd Bank Ltd	Investee Company	Dividend Received	6,970,816	7,212,471
Indusind Media & Communications Ltd	Investee Company	Investment	-	1,011,600

### Balances outstanding at 31 March

NAME OF RELATED PARTY	RELATIONSHIP	NATURE	2020 USD	2019 USD
IndusInd Ltd	Subsidiary	Amount Receivable	47,370,401	25,809,138
IndusInd Ventures Limited	Subsidiary	Amount Receivable	46,096	25,383
IndusInd Capital Limited	Subsidiary	Amount Receivable	46,096	25,383
IndusInd Finance Limited	Subsidiary	Amount Receivable	46,096	25,383
Shareholders	Shareholders	Dividend and Bonds Payable	880,199	1,674,201
JurisTax Ltd	Administrator	Administration Fees Payable	19,103	8,625
Indusind Media & Communications Ltd	Investee Company	Investment	-	1,011,600



# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 23. KEY MANAGEMENT PERSONNEL

The Group and the Company have employees and have paid salaries amounting to USD 350,160 to key management personnel during the year ended 31 March 2020 (2019: USD 356,612).

## 24. EVENTS AFTER REPORTING DATE

There has been no significant event after the reporting date which in the opinion of the board of directors requires disclosure in the financial statements.

## 25. CHANGES IN ACCOUNTING POLICY

The Company's investment in Hinduja Leyland Finance has been recognised as fair value through other comprehensive income in financial year 2020 as compared to fair value through profit and loss in financial year 2019, to meet the Company's business model objectives as the Board of Directors are of opinion that classification under fair value through other comprehensive income shows a fairer presentation of the figures for investments held in Hinduja Leyland Finance in the consolidated and separate statement of profit and loss and other comprehensive income.

(a) Classification and measurement of financial instruments

The total impact on the Group's and the Company's revenue reserves due to classifications and measurement of financial instruments as at 1 April 2019 is as follows:

### THE GROUP

	Revaluation Reserves USD	Revenue Reserves USD
Opening Balance as Previously Stated	1,910,051,534	339,510,166
Reclassification from Available-for-Sale Reserve	100,037,774	(100,037,774)
<b>Opening Balance on Adoption of IFRS 9</b>	<b>2,010,089,308</b>	<b>239,472,392</b>

### THE COMPANY

	Revaluation Reserves USD	Revenue Reserves USD
Opening Balance as Previously Stated	2,032,254,582	271,179,063
Reclassification from Available-for-Sale Reserve	100,037,774	(100,037,774)
<b>Opening Balance on Adoption of IFRS 9</b>	<b>2,132,292,356</b>	<b>171,141,289</b>

## 26. EVENTS AFTER REPORTING DATE

Since the Statement of Financial Position date, there has been a global outbreak of a novel strain of coronavirus (COVID-19) which is causing widespread disruption to financial markets and normal patterns of business activity across the world. The Company considers this outbreak to be a non-adjusting post reporting date event and the potential impact from the fluctuation in the price of financial instruments and changes in foreign exchange rates are not going to be taken into account due to the evolving nature of the outbreak of the virus, as it is not currently possible to estimate the financial effect of COVID-19 on the Company.

# INDUSIND INTERNATIONAL HOLDINGS LTD





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