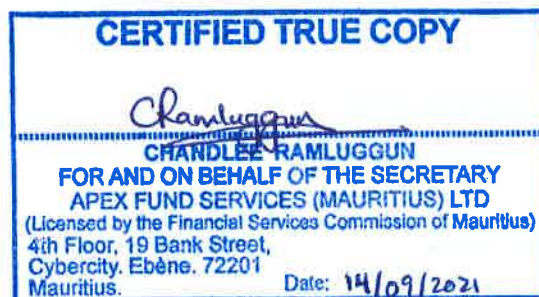


**Bee Finance Limited**  
**Annual Separate Financial Statements**  
**For the year ended**  
**31 March 2020**



**Bee Finance Limited**  
**Annual Separate Financial Statements**  
**For the year ended 31 March 2020**

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**Bee Finance Limited****Company information**

		<b>Date of appointment</b>
<b>DIRECTORS:</b>	Tevina Ramsaha-Gulab	01 December 2015
	Mahmad Hayder Amiran	01 December 2015
	Bhupinder Singh	22 April 2016
	Harinarayan Sharma	13 January 2020
	Gyaneshwarnath Gowrea	28 October 2020
<b>ADMINISTRATOR &amp; SECRETARY:</b>	Apex Fund Services (Mauritius) Ltd 4 <sup>th</sup> Floor, 19 Bank Street Cybercity Ebène 72201 Republic of Mauritius	
<b>REGISTERED OFFICE:</b>	4 <sup>th</sup> Floor, 19 Bank Street Cybercity Ebène 72201 Republic of Mauritius	
<b>BANKERS:</b>	SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth II Avenue Port-Louis Republic of Mauritius	
<b>CUSTODIAN:</b>	YES Bank Ltd 18 <sup>th</sup> Floor, Tower Two Indiabulls Finance Tower Mumbai, India	
<b>AUDITOR:</b>	KPMG KPMG Centre 31, Cybercity Ebène Republic of Mauritius	

**Bee Finance Limited****DIRECTORS' REPORT**

The directors are pleased to present their report and the audited separate financial statements of **Bee Finance Limited** (the "Company") for the year ended 31 March 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is to engage in investment holding activities.

**RESULTS**

The results for the year are shown in the accompanying separate financial statements. The Company's loss for the year ended 31 March 2020 is **USD 7,862,790** (2019: Profit of USD 35,303,820). The Directors do not recommend the payment of dividend for the year under review (2019: Nil).

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

The Mauritius Companies Act requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards ("IFRS") have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the separate financial statements for the year ended 31 March 2020.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the separate financial position of the Company and to enable them to ensure that the separate financial statements are prepared in accordance with IFRS 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, as described in Note 16 to the separate financial statements and have no reason to believe the business will not be a going concern in the year ahead. The directors have confirmed that they have complied with the above requirements and also considered the impact of COVID-19 in preparing the separate financial statements as disclosed in Note 4.

**AUDITOR**

The auditor, KPMG, have indicated their willingness to continue in office until the next annual meeting.

Signed on behalf of the Board of Directors:



**Director**  
**Tevina Ramsaha-Gulab**



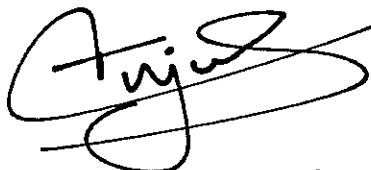
**Director**  
**Gyaneshwarnath Gowrea**

**Bee Finance Limited**

**Certificate from the secretary**

**Under section 166 (d) of the Mauritius Companies Act 2001**

We certify to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of **Bee Finance Limited** under Section 166(d) of the Mauritius Companies Act 2001 for the year ended 31 March 2020, except for filing of the audited separate financial statements within the prescribed period.



**For Apex Fund Services (Mauritius) Ltd  
Secretary**

**Registered office:**

4<sup>th</sup> Floor, 19 Bank Street  
Cybercity  
Ebène 72201  
Republic of Mauritius

Date: 28 July 2021



KPMG  
KPMG Centre  
31, Cybercity  
Ebène  
Mauritius  
Telephone +230 406 9999  
Telefax +230 406 9988  
BRN No. F07000189  
Website www.kpmg.mu

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEE FINANCE LIMITED**

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

#### *Opinion*

We have audited the separate financial statements of Bee Finance Limited (the company), which comprise the separate statement of financial position as at 31 March 2020 and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and the notes to the separate financial statements, including a summary of significant accounting policies, as set out on pages 10 to 47.

In our opinion, these separate financial statements give a true and fair view of the separate financial position of Bee Finance Limited as at 31 March 2020, and of its separate financial performance and separate 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.

#### *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 separate financial statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other information*

The directors are responsible for the other information. The other information comprises the Company information, Directors' report and Certificate from the secretary, but does not include the separate financial statements and our auditors' report thereon.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BEE FINANCE LIMITED**

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

*Other information (continued)*

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

*Responsibilities of directors for the separate financial statements*

The directors are responsible for the preparation of separate 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, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the separate financial statements*

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

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BEE FINANCE LIMITED**

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

*Auditors' responsibilities for the audit of the separate financial statements  
(continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate 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.

*Use of our report*

This report is made solely to the company's members as a body, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the company's members as a body, those matters that we are required to state to them 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 as a body, for our audit work, for this report, or for the opinions we have formed.





**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF BEE FINANCE LIMITED**

**Report on other legal and regulatory requirements**

*Mauritius Companies Act*

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

We have obtained all the information and explanations we have required. In our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those records.

*KPMG*

**KPMG**  
Ebène, Mauritius

Date: 29 July 2021

**Christo Smith**  
*Licensed by FRC*


## Bee Finance Limited

Separate statement of financial position  
As at 31 March 2020

	Notes	2020 USD	2019 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial asset at fair value through profit or loss ("FVTPL")	7	172,813,189	180,647,039
<b>Total non-current assets</b>		<b>172,813,189</b>	<b>180,647,039</b>
<b>Current assets</b>			
Asset held-for-sale	8	-	1,300,000
Other receivables and prepayments	12	1,614,089	1,594,136
Cash and cash equivalents		199	49,315
<b>Total current assets</b>		<b>1,614,288</b>	<b>2,943,451</b>
<b>TOTAL ASSETS</b>		<b>174,427,477</b>	<b>183,590,490</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Share capital	6	100,000	100,000
Share premium	6	56,101,450	56,101,450
Retained earnings		116,618,083	124,480,873
<b>Total equity</b>		<b>172,819,533</b>	<b>180,682,323</b>
<b>Current liabilities</b>			
Other payables and accruals	9	24,297	66,426
Loan from shareholder	10	-	1,258,094
Loan from parent company	11	1,583,647	1,583,647
<b>Total current liabilities</b>		<b>1,607,944</b>	<b>2,908,167</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>174,427,477</b>	<b>183,590,490</b>


Authorised and approved for issue by the Board of Directors on 28 July 2021 and signed on its behalf by:

		}
		}
		}
		} <b>DIRECTORS</b>
<b>Tevina Ramsaha-Gulab</b>	<b>Gyaneshwarnath Gowrea</b>	}

The notes on pages 14 to 47 are an integral part of these separate financial statements. 

**Bee Finance Limited****Separate statement of profit or loss and other comprehensive income  
For the year 31 March 2020**

	Notes	2020 USD	2019 USD
<b>INCOME</b>			
Realised gain on asset held-for-sale	8	187,800	-
Unrealised (loss)/gain on financial asset at fair value through profit or loss	7	(7,833,850)	35,334,658
		<u>(7,646,050)</u>	<u>35,334,658</u>
<b>EXPENSES</b>			
Licence fees		(2,279)	(2,088)
Directors' fees		(3,000)	(3,000)
Secretarial and administration fees		(3,333)	(3,000)
Audit fees		(11,937)	(10,005)
Professional fees		(3,500)	(1,900)
Legal fees		-	(9,187)
Interest expense		(187,160)	-
Other expenses		(5,531)	(1,658)
		<u>(216,740)</u>	<u>(30,838)</u>
<b>(LOSS)/PROFIT BEFORE INCOME TAXATION</b>		<b>(7,862,790)</b>	<b>35,303,820</b>
Taxation	13	-	-
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(7,862,790)</b>	<b>35,303,820</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(7,862,790)</b>	<b>35,303,820</b>
		<u>=====</u>	<u>=====</u>

The notes on pages 14 to 47 are an integral part of these separate financial statements. 

**Bee Finance Limited****Separate statement of changes in equity  
For the year ended 31 March 2020**

	<b>Share capital USD</b>	<b>Share premium USD</b>	<b>Retained earnings USD</b>	<b>Total equity USD</b>
At 01 April 2018	100,000	56,101,450	89,177,053	145,378,503
<b>Comprehensive income</b>				
Profit for the year	-	-	35,303,820	35,303,820
At 31 March 2019	100,000	56,101,450	124,480,873	180,682,323
<b>At 01 April 2019</b>	<b>100,000</b>	<b>56,101,450</b>	<b>124,480,873</b>	<b>180,682,323</b>
<b>Comprehensive income</b>				
Loss for the year	-	-	(7,862,790)	(7,862,790)
<b>At 31 March 2020</b>	<b>100,000</b>	<b>56,101,450</b>	<b>116,618,083</b>	<b>172,819,533</b>

## Bee Finance Limited

**Separate statement of cash flows**  
**For the year ended 31 March 2020**

	2020 USD	2019 USD
<b><i>Cash flows from operating activities</i></b>		
(Loss)/profit before income taxation	(7,862,790)	35,303,820
Adjustments for:		
Realised gain on asset held-for-sale (note 8)	(187,800)	-
Unrealised loss/(gain) on financial asset at fair value through profit or loss (note 7)	7,833,850	(35,334,658)
Interest expense	187,160	-
	-----	-----
<b>Operating loss before working capital changes</b>	<b>(29,580)</b>	<b>(30,838)</b>
<b>Changes in working capital</b>		
(Increase)/decrease in other receivables and prepayments	(19,953)	1,543
Decrease in other payables and accruals	(42,129)	(17)
Disposal of asset held-for-sale (note 8)	1,487,800	-
	-----	-----
<b>Net cash generated from/(used in) operating activities</b>	<b>1,396,138</b>	<b>(29,312)</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Loan received from parent company (note 11)	-	504,000
Repayment of loan from parent company (note 11)	-	(504,000)
Repayment of loan from shareholder (note 10)	(1,258,094)	-
Interest paid	(187,160)	-
	-----	-----
<b>Net cash used in financing activities</b>	<b>(1,445,254)</b>	<b>-</b>
	-----	-----
<b>Net movement in cash and cash equivalents</b>	<b>(49,116)</b>	<b>(29,312)</b>
Cash and cash equivalents at beginning of year	49,315	78,627
	-----	-----
<b>Cash and cash equivalents at end of year</b>	<b>199</b>	<b>49,315</b>
	=====	=====

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****1 GENERAL INFORMATION**

Bee Finance Limited (the "Company") is a private company limited by shares incorporated and domiciled in the Republic of Mauritius under the Mauritius Companies Act 2001 on 01 December 2015 and holds a Global Business License issued by the Financial Services Commission ("FSC"). The Company's registered office is at 4th Floor, 19 Bank Street, Cybercity, Ebène, 72201, Republic of Mauritius.

The principal activity of the Company is to engage in investment holding.

**2 BASIS OF PREPARATION**

The principal accounting policies applied in the preparation of these separate financial statements are set out below. The policies have been consistently applied to the period presented, unless otherwise stated.

**Statement of compliance**

The separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") for the year ended 31 March 2020 as issued by the International Accounting Standards Board ("IASB") and in compliance with the Mauritius Companies Act.

**Basis of measurement**

The separate financial statements for the year ended 31 March 2020 have been prepared under the going concern principle under the historical cost convention, except for financial asset at fair value through profit or loss ("FVTPL"), which are measured at fair value, as disclosed in the accounting policies thereafter.

**Functional and presentation currency**

The separate financial statements of the Company are presented in USD, which is the Company's functional currency. All financial information presented in USD have been rounded to the nearest dollar unless otherwise stated.

**Use of estimates and judgements**

The preparation of separate financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the separate financial statements are provided in note 4.

**Changes in accounting policy and disclosures***New standards, amendments and interpretations adopted during the year*

Up to date of issue of these separate financial statements, the IASB has issued a number of amendments, new standards and interpretations which are effective for the year ended 31 March 2020 and which have been adopted on these separate financial statements.

## Bee Finance Limited

### Notes to the separate financial statements For the year ended 31 March 2020

## 2 BASIS OF PREPARATION (CONTINUED)

### Changes in accounting policy and disclosures (continued)

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

#### **IFRIC 23 Uncertainty over Income Tax Treatment**

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

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

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

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted. The Directors have assessed the adoption of IFRIC 23 and they believe that it does not have any impact on the separate financial statements as the Company does not have any tax uncertainties.

*New standards, amendments and interpretations issued but not yet adopted*

Up to the date of issue of these separate financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not effective for the year ended 31 March 2020 and which have not been adopted in these separate financial statements. Those which may be relevant are set out below. The Company does not plan to adopt these standards early, but rather in the periods they become mandatory, unless otherwise stated.

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

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

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

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

The amendments are effective from 1 January 2020 but may be applied earlier. However, the directors do not expect significant change – the refinements are not intended to alter the concept of materiality.

## Bee Finance Limited

### Notes to the separate financial statements. For the year ended 31 March 2020

## 2 BASIS OF PREPARATION (CONTINUED)

### Changes in accounting policy and disclosures (continued)

#### *New standards, amendments and interpretations issued but not yet adopted (continued)*

#### **Amendments to References to Conceptual Framework in IFRS standards**

The IASB decided to revise the Conceptual Framework because certain important issues were not covered, and certain guidance was unclear or out of date. The revised Conceptual Framework issued by the IASB in March 2018, which is effective for annual periods beginning on or after 1 January 2020, includes:

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

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

Although management expects this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs. The directors do not expect significant change on the Company's separate financial statements.

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

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

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

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date. The directors do not expect significant change on the Company's separate financial statements.



**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies set out below have been applied consistently to all periods presented in these separate financial statements except for new standards, amendments and interpretations to standards effective and adopted, as discussed above.

**Foreign currency translation***Functional and presentation currency*

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company. Share capital is issued in USD. The expenses of the Company are denominated and settled in USD.

*Transactions and balances*

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Foreign currency differences arising on financial instruments at fair value through profit or loss, which are recognised as a component of net gain from financial instruments at fair value through profit or loss ("FVTPL").

**Assessing criteria for meeting the definition of an investment entity**

'Subsidiaries' are investees controlled by the Company. The Company 'controls' an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an investment entity and measures its investments held at FVTPL. In determining whether the Company meets the definition of an investment entity, as per Note 3, management considered the objective of the Company as per its Shareholders' Agreement. In particular, the Company has assessed the existence of investment exit strategies and whether the Company has more than one investment.

Management concluded that the Company meets the definition of an investment entity. Consequently, management concluded that the Company should not consolidate Incred Financial Services Limited ("INCRED"), as described in Note 4.

**Financial assets and financial liabilities**

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.

**Bee Finance Limited**

**Notes to the separate financial statements  
For the year ended 31 March 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial assets and financial liabilities (continued)**

*(i) Recognition and initial measurement*

The Company initially recognises financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value with transaction costs recognised in separate statement of profit or loss. For an item not at FVTPL are measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

*(ii) Classification and subsequent measurement*

*Classification of financial assets*

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

All other financial assets of the Company are measured at FVTPL.

*Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This include whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

**Bee Finance Limited**

**Notes to the separate financial statements  
For the year ended 31 March 2020**

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial assets and financial liabilities (continued)**

*Business model assessment (continued)*

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

*Classification of financial assets (continued)*

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

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents and other receivables and are held to collect contractual cash flow.
- Other business model: this includes equity investments. These financial assets are managed, and their performance is evaluated, on a fair value basis.

*Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")*

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

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Financial assets and financial liabilities (continued)

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

Category	Subsequent measurement
<b>Financial asset at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any expense and foreign exchange gains and losses, are recognised in profit or loss in 'net (loss)/gain from financial instruments at FVTPL' in profit or loss. Equity investments are included in this category.
<b>Financial assets at amortised cost</b>	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Cash and cash equivalents and other receivable are included in this category.

*Financial liabilities – classification, subsequent measurement and gain and losses*

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost:

- This includes other payables and accruals, loan from shareholder and loan from parent company.

*(iii) Fair value measurement*

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

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Financial assets and financial liabilities (continued)

*(iii) Fair value measurement (continued)*

A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction, as described in Note 5(d) and 7.

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

*(iv) Amortised cost measurement*

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.

*(v) Impairment*

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost.

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

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

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial assets and financial liabilities (continued)***(v) Impairment (continued)*

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default:

- when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising assets (if any is held); or
- the financial asset is more than 90 days past due.

All financial assets that are receivable from related parties, other than loan receivable, are considered to have low credit risk. The Company also considers its cash at bank to have low credit risk based on the external credit ratings of the financial institution with which cash is held.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

*Measurement of ECLs*

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

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

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Financial assets and financial liabilities (continued)

## (v) Impairment (continued)

*Credit-impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

*Presentation of allowance for ECLs in the separate statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## (vi) Derecognition and modification

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Realised gain is calculated based on proceeds realised on disposal of investment less its cost.

The Company enters into transactions whereby it transfers assets recognised on its separate statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them.

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial assets and financial liabilities (continued)***(vi) Derecognition and modification (continued)*

If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

The Company recalculates the gross carrying amount of financial assets and recognises a modification gain or loss in profit or loss when the contractual cash flows are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate.

*(vii) Offsetting*

Financial assets and financial liabilities are offset, and the net amount presented in the separate statement of financial position when, and only when, the Company has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

There is no offsetting of financial instruments applied as on reporting in the separate statement of financial position.

*(viii) Specific instruments***Cash at bank**

Cash at bank includes deposits with banks. Cash at bank are short-term, with maturity of three months or less from the date of acquisition and highly liquid financial assets that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company has elected to present the separate statement of cash flows using the indirect method.



**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Assets held-for-sale**

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

**Share capital**

Share capital consists of ordinary shares which are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

**Non-recognition of deferred tax**

Deferred tax is not recognised for temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future, as described in Note 13.

**Taxation**

Taxation comprises of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Taxation includes the current income tax charge which is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised using the balance sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Taxation (continued)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

**Net (loss)/gain on financial asset at FVTPL**

Net (loss)/gain on financial asset at fair value through profit or loss includes foreign exchange differences but excludes dividend income.

**Expense recognition**

Expenses are accounted for in separate statement of profit or loss and other comprehensive income on an accrual basis.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS****Uses of estimates and judgements**

The preparation of separate financial statements in accordance with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities within the next financial period. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The separate financial statements have been prepared on a going concern basis based on the continuous financial support from its ultimate beneficial owner to enable the Company to meet its liabilities as and when they fall due and to carry on business without a significant curtailment of operations in the next twelve months from date of approval of these separate financial statements.

The preparation of the separate financial statements requires the board of directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent liabilities at reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that could require material adjustment to the carrying amount of the asset and liability affected in the future.

In the process of applying the Company's accounting policies, management has made the following estimates and judgements that are significant to the separate financial statements:

**Determination of functional currency**

Functional currency is the currency of the primary economic environment in which the Company operates. The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. The directors consider the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Investments made are denominated in Indian Rupee (INR) however, the performance of the Company is measured and reported to the holding company in USD. The expenses of the Company are denominated and settled in USD and shares are issued in USD.

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)****Impairment**

A financial asset not measured at FVTPL is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets, and that loss events had an impact on the estimated future cash flows of that assets that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of amount due on terms that the Company would not consider otherwise, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of profit or loss and other comprehensive income and reflected in an allowance account against receivables.

**Impact of COVID-19**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Many governments have taken increasingly stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries.

There has also been a significant increase in economic uncertainty, evidenced by more volatile asset prices and currency exchange rates, and a significant decline in long-term interest rates in developed economies.

COVID-19 has caused significant volatility within the economic markets, for which the duration and spread of the outbreak and the resultant economic impact is uncertain and cannot be predicted. The fair value of investments is already adjusted for the impact of Covid-19 as at reporting date.

In the context of COVID-19 Outbreak, the directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the separate financial statements continue to be prepared on the going concern basis.

**Fair value measurement**

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

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity for which markets were or have been inactive during the financial year.

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)****Fair value measurement (continued)**

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

For 2020, INCRED was fair valued using the discounted cash flow approach, as described in Note 5 (d). For the year ended 30 March 2019, INCRED was fair valued based on the recent transaction price.

**Utilisation of tax losses**

Significant judgement is required in determining the Company's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Investment entity and consolidation exemption**

The Board of Directors of the Company has made an assessment of the criteria set out under IFRS 10 Consolidated Financial Statements paragraph 27 for not consolidating its financial statements with that of the Investee Company, INCRED on the basis that it is classified as an Investment Entity.

Under the IFRS 10, an Investment Entity has the following criteria:

- The entity obtains funds from one or more investors to provide its investors with investment management services;
- The entity commits to its investors that its business purpose is to invest for returns solely from capital appreciation and/or investment income;
- Investment related services provided to investors are not prohibited, but some services to investees are restricted and some relationships and transactions with investees are prohibited; and
- The entity measures and evaluates the performance of substantially all investments on a fair value basis.

## Bee Finance Limited

### Notes to the separate financial statements For the year ended 31 March 2020

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

##### Investment entity and consolidation exemption (continued)

In addition, an Investment Entity typically has:

- More than one investment;
- More than one investor;
- Investors that are not related parties; and
- Ownership interests in the form of equity or similar interests.

At the reporting date, the Company has several investors, who are neither related parties to the Company nor related party to each other, who have pooled together their funds to gain access to investment management services and investment opportunities that they might not have had access to individually.

As mentioned in the Shareholders Agreement, the investors have contributed capital for the purpose of acquiring directly or indirectly INCRED, Booth Fintech Private Limited and Bee Fintech Private Limited. The only objective of the Company is to act as an investment holding company.

Therefore, the Company, under the guidance and supervision of its Board of Directors, who have the required knowledge and expertise, is indirectly providing the necessary investment platform, support and administrative services to its investors.

Furthermore, one of the directors of the Company also served as a Board member and Chief Executive Officer of INCRED. As CEO, a key management personnel, he is providing strategic advice and is participating in strategic decision making. He is making available his management expertise and skills to the good, smooth and profitable running of INCRED and Booth Fintech.

Moreover, the Major Investors of the Company (as outlined in the Shareholders Agreement dated 17 February 2017) have been bestowed with reserved matter rights on key decision matters; this is to ensure interest of shareholders is upheld in the day to day functioning of the Company and the shareholders' objective is achieved.

Should the need arise, the Company, being the major shareholder of INCRED, intends to take necessary steps to ensure the financial support required by INCRED and in the form it requires.

It is further noted that, under the Shareholders Agreement:

- the investors are not allowed to dispose their shares in the Company within 4 years-lock in period which is a conclusive evidence that the latter's ultimate objective of investing into the Company is capital appreciation and not short terms gains or the generation of trading income; and
- the investors are also entitled to dividends and any other distributions.

The Board confirms its intention to fair value its investment under IFRS 13: Fair Value Measurement using the appropriate valuation technique for example, income, cost or market approach. The Board has kept its investments at fair value at reporting date.

## Bee Finance Limited

### Notes to the separate financial statements For the year ended 31 March 2020

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

##### Investment entity and consolidation exemption (continued)

The Board, as result, concludes that the Company meets the definition of an Investment Entity and further concludes that the investment has been carried at fair value, in line with IFRS 9 and the latter should not consolidate its accounts with that of INCRED .

#### 5 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

##### a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company's exposure to market risk is determined by several factors, including interest rates and foreign currency exchange rates. The Company conducts its investment operations in a manner that seeks to exploit the potential gains in the market, while limiting its exposure to market declines.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures 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 in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments are detailed below.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### (i) Foreign exchange risk

The Company is exposed to currency risks on investments that are denominated in a currency other than its functional currency.

The Company shall primarily invest in Indian rupee denominated instruments, which may be subject to exchange rate fluctuations with consequent reductions in the USD. Foreign currency exposure will not normally be hedged. The repatriation of capital may be hampered by changes in Indian regulations concerning foreign exchange controls or political circumstances. Any amendments to such regulations may impact adversely on the Company's performance.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## a) Market risk (continued)

## (i) Foreign exchange risk (continued)

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

	Financial assets 2020 USD	Financial assets 2019 USD	Financial liabilities 2020 USD	Financial liabilities 2019 USD
Indian Rupee ("INR")	172,813,189	180,647,039	-	-
United States Dollar ("USD")	1,609,660	2,942,502	1,607,944	2,908,167
	-----	-----	-----	-----
	<b>174,422,849</b>	<b>183,589,541</b>	<b>1,607,944</b>	<b>2,908,167</b>
	=====	=====	=====	=====

Prepayments of **USD 4,628** (2019: USD 949) have not been included in the financial assets.

*Sensitivity analysis*

The following table indicates the approximate change in the total assets in response to reasonable possible changes in the foreign exchange rates to which the Company has significant exposure at the reporting date. The Company is mainly exposed to the Indian rupee.

A 5% increase and decrease in the USD against the relevant foreign currency is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. Management has determined that a fluctuation in exchange rate of 3% (2019: 5%) is reasonable possible considering the economic environment in which the Company operates.

	2020	2019
Change in foreign exchange rates %	Effect on profit or loss and equity USD	Change in foreign exchange rates %
		Effect on profit or loss and equity USD
INR	3	(5,344,738)
INR	(3)	5,033,394
		5
		(5)
		(8,602,240)
		9,507,739

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. Results of the analysis of the above table represent the effects on the Company's total assets for any changes in the foreign exchange rates. The exposure to foreign currency risk and price risk is managed in this way. The Company does not apply hedge accounting.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## a) Market risk (continued)

## (ii) Price risk

Price risk is the risk of unfavorable changes in fair values of equities as the result of changes in the value of individual shares. The Company was not exposed to equity price risk at the reporting date as it does not invest in listed equity investments.

## (iii) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Company was not exposed to interest rate risk at the reporting date as interest rate has been fixed in accordance with the relevant loan agreements.

## b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, when due. The carrying amount of financial assets represents the maximum credit exposure. The Company uses the probability of default and loss given default approach to calculate any expected credit losses on financial assets.

The maximum exposure to credit risk at the reporting date was as follows:

<i>Current assets</i>	<b>2020</b>	2019
	<b>USD</b>	USD
Other receivable	<b>1,609,461</b>	1,593,187
Cash and cash equivalents	<b>199</b>	49,315
	<b>-----</b>	<b>-----</b>
	<b>1,609,660</b>	1,642,502
	<b>=====</b>	<b>=====</b>

Prepayments of **USD 4,628** (2019: USD 949) have not been included in the financial assets.

The credit risk is considered minimal on the cash and cash equivalents since the bank balance is held with a high credit quality financial institution, which has a credit rating of Ba1. Other receivable mainly consists of amount receivable from related party. The credit risk on amount receivable from related party is considered low. Based on the probability of default and loss given default ratios of the counter parties, the expected credit loss on the financial assets were minimal as at 31 March 2019 and 2020.

The Company is exposed to credit risk in relation to the financial guarantee in the form of the Letter of Comfort dated 17 February 2020 issued to the State Bank of India ("SBI") for the purpose of the term loan granted to Incred. The maximum amount of guaranteed is deemed to be INR 750,000,000. The Company is exposed to credit risk in relation to the investment in INCRED held in the custody of the Custodian, Yes Bank. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk. For this purpose, the management team of INCRED has provided an assessment of its adherence to all loan covenants, as set out in the agreement between INCRED and SBI.



## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## b) Credit risk (continued)

The financial covenants and position of the Facility agreement are set out in the table below and these were valid as of 31 March 2021:

No.	Covenant	As per Sanction Terms	Actual Position as of 31 March 2021	Comments
1	Total Outside Liabilities / Net Owned Fund	Maximum 8x	1.70x	Complied
2	Gross NPA / Total Advances	Maximum 4%	3.43%	Complied
3	Total Debt / Equity	Maximum 4:1	1.63x	Complied
4	Overdue / Demand Raised	Maximum 5%	5.87%*	Not Complied
5	Promoter (Bee Finance Shareholding)	Minimum 30%	59.66%	Complied
6	Capital Adequacy Ratio	Minimum 20%	37.20%	Complied
7	Assets Cover Ratio	Minimum 1.33x	1.33x	Complied

The management team of INCRED has indicated that they have, at all instances, complied to all covenants, with an exception to Covenant 4.

\*As per the facility agreement, penal interest would be levied only in case of deviation of two financial covenants. As such, there has been no breach within the contractual agreement. Management has confirmed that INCRED has a strong financial position and there are no past due amounts.

## c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities, when they fall due. The Company's approach to managing liquidity risk is to ensure that, as far as possible, it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

During the year, a letter of comfort was issued by the Company to its investee company, Incred Financial Services Limited ("INCRED"). The management team of INCRED has confirmed its adherence to all loan covenants, as set out in the agreement between INCRED and the State Bank of India, as describe in Note 5b.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## c) Liquidity risk (continued)

As such, the management of Bee Finance Limited does expect any financial liability to arise with regards to the letter of comfort issued to INCRED.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

## 2020

<i>Financial liabilities</i>	On demand USD	Within 3 months USD	Within 3 months and 1 year USD	Total USD
Loan from parent company	1,583,647	-	-	1,583,647
Accruals	-	15,525	-	15,525
Amount payable to related parties	8,772	-	-	8,772
	-----	-----	-----	-----
	1,592,419	15,525	-	1,607,944
	=====	=====	=====	=====

## 2019

<i>Financial liabilities</i>	On demand USD	Within 3 months USD	Within 3 months and 1 year USD	Total USD
Loan from shareholder	1,258,094	-	-	1,258,094
Loan from parent company	1,583,647	-	-	1,583,647
Accruals	-	15,109	-	15,109
Amount payable to related parties	51,317	-	-	51,317
	-----	-----	-----	-----
	2,893,058	15,109	-	2,908,167
	=====	=====	=====	=====

## d) Fair value estimation

The Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (i) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (ii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## d) Fair value estimation (continued)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques.

For instruments for which there is no active market, the Company may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk. The carrying value of other receivables, cash and cash equivalents, loan from shareholder, loan from parent company and other payables and accruals are assumed to approximate their fair values due to their short-term nature.

The following table analyses within the fair value hierarchy the Company's assets measured at fair value at 31 March 2020.

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
<b>At 31 March 2020</b>				
Financial asset at fair value through profit or loss (Note 7)	-	-	172,813,189	172,813,189
	=====	=====	=====	=====
<b>At 31 March 2019</b>				
Financial asset at fair value through profit or loss (Note 7)	-	-	180,647,039	180,647,039
	=====	=====	=====	=====

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in level 3 of the fair value hierarchy.

	Financial asset at fair value through profit or loss	
	2020	2019
	USD	USD
At start of the year	180,647,039	145,312,381
Unrealised (loss)/gain on financial asset at fair value through profit or loss	(7,833,850)	35,334,658
	-----	-----
	172,813,189	180,647,039
	=====	=====

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## d) Fair value estimation (continued)

*Significant unobservable inputs used in measuring fair value*

The unquoted investment of INCRED was fair valued based on the discounted cash flow model as at 31 March 2020.

The discounted cash flow model considers the present value of the net cash flows expected to be generated by the investee. The expected net cash flows were discounted using a risk-adjusted discount rate and other unobservable inputs as at 31 March 2020.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

The discount rate was a post-tax measure estimated based on the historical industry average cost of equity. The equity value was computed using the levered cash flows. A discounting factor of 12.25% was used.

The cash flow projections included specific estimates for four years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term growth rate, consistent with the assumptions that a market participant would make.

The below sets out information about significant unobservable inputs used at reporting date in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Investee	Fair value at 31 March 2020	Valuation techniques	Range of estimates for unobservable inputs	Multiple/ Percentage	Sensitivity to changes in significant unobservable inputs
Incred Financial Services Limited ("INCRED")	172,813,189	Discounted cash flow	- Cost of Capital  - Growth multiple	12.25%  6%	The estimated fair value would increase/decrease if: <ul style="list-style-type: none"> <li>the weighted average cost of capital was lower/higher; or</li> <li>The growth rate was higher/lower.</li> </ul>

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## d) Fair value estimation (continued)

Although the Company considers that its estimates of fair value are appropriate, the use of different methodologies and assumptions could lead to different measurements of fair value.

Changing the variable considered to be the most sensitive by 1% would have the following effects:

	Net Movement 2020 USD	Net Movement 2019 USD
Effect on profit or loss		
Weighted average cost of capital (WACC) (1% increase)	(6,073,663)	N/A(*)

Management has also determined that a fluctuation of 1% in the unobservable input is reasonably possible considering the economic environment in which the operating companies operate.

	Net Movement 2020 USD	Net Movement 2019 USD
Effect on profit or loss		
Growth rate (0.5% decrease)	(4,392,707)	N/A(*)

(\*) The sensitivity on WACC and growth rate is not applicable for 2019 given the fair value was based on price of recent investment.

## e) Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and maintain an optimal capital structure to reduce cost of capital. The directors consider the shareholder's equity as capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt. The Company has issued a letter of comfort to its investee company, as described in Note 7.

## f) Financial instruments by category

Financial assets At 31 March 2020	Financial assets at amortised cost USD	Asset held- for-sale USD	Financial asset at fair value through profit or loss USD	Total USD
Financial asset at fair value through profit or loss (Note 7)	-	-	172,813,189	172,813,189
Other receivable (Note 12)	1,609,461	-	-	1,609,461
Cash and cash equivalents	199	-	-	199
	-----	-----	-----	-----
	1,609,660	-	172,813,189	174,422,849
	=====	=====	=====	=====

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

## f) Financial instruments by category (continued)

All the financial liabilities of the Company are classified as other liabilities at amortised cost.

Financial liabilities At 31 March 2020	Financial liabilities at amortised cost USD	Total USD
Other payables and accruals (Note 9)	24,297	24,297
Loan from parent company (Note 11)	1,583,647	1,583,647
	-----	-----
	1,607,944	1,607,944
	=====	=====

Financial assets At 31 March 2019	Financial assets at amortised cost USD	Asset held- for-sale USD	Financial asset at fair value through profit or loss USD	Total USD
Financial asset at fair value through profit or loss (Note 7)	-	-	180,647,039	180,647,039
Asset held-for-sale	-	1,300,000	-	1,300,000
Other receivable (Note 12)	1,593,187	-	-	1,593,187
Cash and cash equivalents	49,315	-	-	49,315
	-----	-----	-----	-----
	1,642,502	1,300,000	180,647,039	183,589,541
	=====	=====	=====	=====

Financial liabilities At 31 March 2019	Financial liabilities at amortised cost USD	Total USD
Other payables and accruals (Note 9)	66,426	66,426
Loan from shareholder (Note 10)	1,258,094	1,258,094
Loan from parent company (Note 11)	1,583,647	1,583,647
	-----	-----
	2,908,167	2,908,167
	=====	=====

Prepayments of USD 4,628 (2019: USD 949) have not been included in the financial assets.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 6 SHARE CAPITAL AND PREMIUM

	No of shares	Class A USD	Class B USD	Class C USD	Share premium USD	Total USD
At 01 April 2019	100,000	58,678	9,792	31,530	56,101,450	56,201,450
Transfer of shares	-	-	-	-	-	-
At 31 March 2020	100,000	58,678	9,792	31,530	56,101,450	56,201,450
At 01 April 2018	100,000	58,678	7,542	33,780	56,101,450	56,201,450
Transfer of shares	-	-	2,250	(2,250)	-	-
At 31 March 2019	100,000	58,678	9,792	31,530	56,101,450	56,201,450

All classes of shares confer the rights to receive notice of and vote at any meeting of shareholders with each ordinary share having one vote, including equal right of distribution of income among shareholders.

During the year ended 31 March 2019, B Singh Holdings Limited transferred 2,250 class C shares into class B shares, respectively which were then disposed to The Bee Finance Employee Welfare Trust. There was transfer of shares for the following:

- 2,250 Class B shares from Bee Finance Employee Welfare Trust to SRA Capital PTE

## 7 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 USD	2019 USD
At beginning of the year	180,647,039	145,312,381
Unrealised (loss)/gain on financial asset at fair value through profit or loss	(7,833,850)	35,334,658
At end of year	172,813,189	180,647,039

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 7 FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The table below describes the type of structured entity that the Company does not consolidate but in which it holds an interest.

Name of company	Country	Type of instrument held	% held	Cost	Fair value
				USD	USD
				31 March 2020	31 March 2020
Incred Financial Services Limited ("INCRED")	India	Equity	59.66	56,143,616	172,813,189
				=====	=====

Name of company	Country	Type of instrument held	% held	Cost	Fair value
				USD	USD
				31 March 2019	31 March 2019
Incred Financial Services Limited ("INCRED")	India	Equity	74.89	56,143,616	180,647,039
				=====	=====

Investment in Incred

Incred, incorporated in India, operates as a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and is engaged in providing loans for personal, business and educative purposes.

There are no restrictions resulting from any borrowing arrangements, regulatory requirements nor contractual arrangements, on the ability of INCRED to transfer funds to the investment entity in the form of cash dividends or to repay loans or advances made to INCRED by the Company.

Other than disclosed below, there are no current commitments nor intentions on the Company's part to provide financial or other support to INCRED, including commitments or intentions to assist INCRED in obtaining financial support.

Financial support to INCRED

A letter of comfort was issued by the Company to INCRED during the year. Management has assessed the going concern basis of INCRED based on the independent valuation report. As such, management does not expect any financial liability to arise. The Ultimate Beneficial Owner of Bee Finance Limited is also responsible for the operational and financial conduct of INCRED and to ensure that no covenant is breached.

The ultimate beneficial owner has also confirmed through a letter of support that it will continue to provide financial support to the Company to enable it to meet its obligations as they fall due.



## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020**8 ASSET HELD-FOR-SALE**

An entity shall classify a non-current asset as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Since Bee Finance Limited intends to dispose of Booth Fintech Private Limited to INCRED within a year, it has been classified under current assets.

Booth Fintech Private Limited operates an online and mobile platform under the brand name "Instapaisa", which connects prospective borrowers and lenders, provides borrowers with easier and quicker access to credit, and lenders with online customer acquisition and credit profiling of customers.

Management has completed the process of disposal of Booth Fintech during the financial year end 2020.

	2020 USD	2019 USD
At beginning of the year	1,300,000	1,300,000
Realised gain on asset held-for-sale	187,800	-
Disposal during the year	(1,487,800)	-
	-----	-----
At end of the year	-	1,300,000
	=====	=====

**9 OTHER PAYABLES AND ACCRUALS**

	2020 USD	2019 USD
Amount payable to related parties (Note 14)	8,772	51,317
Accruals	15,525	15,109
	-----	-----
	24,297	66,426
	=====	=====

The amount payable to related parties are unsecured, interest free and repayable on demand.

**10 LOAN FROM SHAREHOLDER**

	2020 USD	2019 USD
Balance at beginning of year	1,258,094	1,258,094
Repayment of loan	(1,258,094)	-
	-----	-----
Balance at end of year	-	1,258,094
	=====	=====

As per the Loan Agreement, the shareholder loan was interest bearing at the rate of 2.5% up to 15 March 2017. An Addendum to the existing Loan Agreement was entered into on 31 March 2021 and would be effective as from 18 June 2019, as per which the interest rate will change from 2.5% to 10.9979%.

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****11 LOAN FROM PARENT COMPANY**

	<b>2020</b>	2019
	<b>USD</b>	USD
Balance at start of year	<b>1,583,647</b>	1,583,647
Loan received	-	504,000
Loan repaid	-	(504,000)
	-----	-----
Balance at end of year	<b>1,583,647</b>	1,583,647
	=====	=====

The loan from parent company is unsecured, interest free and repayable on demand. Default interest will be applied in case Borrower fails to make payment at repayment date.

**12 OTHER RECEIVABLE AND PREPAYMENTS**

	<b>2020</b>	2019
	<b>USD</b>	USD
Other receivable (Note 14)	<b>1,609,461</b>	1,593,187
Prepayments	<b>4,628</b>	949
	-----	-----
	<b>1,614,089</b>	1,594,136
	=====	=====

The amount due from related party is unsecured, interest free and receivable on demand.

**13 TAXATION***Mauritius*

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Entities which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed foreign tax credit") on its foreign source income resulting in a maximum effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****13 TAXATION (CONTINUED)***India*

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

Gains from disposal of shares has been shifted from Mauritius to India effective from 01 April 2017 and there has been the implementation of Long-Term Capital Gain Tax (LTCGT) in India on long term capital gains. However, investments made by Mauritius structures up to 31 March 2017 shall be grandfathered and thus exempted from capital gains tax in India irrespective of the date of disposal. During the year, the Company disposed its shares in Booth Fintech Private Limited, which resulted in a realised gain of USD 187,800. Since investment in Booth Fintech Private Limited was made prior to 01 April 2017, the gains from the disposal of shares was not subjected to Capital Gains Tax.

In addition, based on the update in the Finance Bill in India in April 2018, the cost of acquisition for the long-term capital asset acquired on or before 31st of January 2018 shall be the actual cost. However, if the actual cost is less than the fair market value of such asset as on 31st of January 2018, the fair market value shall be deemed to be the cost of acquisition. Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, shall be deemed to be the cost of acquisition.

It has also been clarified that the holding period for computation of LTCGT shall be counted from the date of acquisition.

*Capital Gains Tax rates applicable*

The long-term capital gains on sale of listed securities exceeding INR 100,000 are taxed at 10.92% and the Short-term capital gains shall be taxed at 16.38%. On sale of unlisted securities, the tax rates are 10.92% and 43.68% for Long-term capital gains and Short-term capital gains respectively.

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

As per the revised DTAA, interest arising in India to Mauritian residents shall be subject to withholding tax in India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017. General anti-avoidance rule (GAAR) has become effective as from 01 April 2017 and therefore, investments made till 31 March 2017 are outside the purview of GAAR.

During the year, the Company disposed its shares in Booth Fintech Private Limited, which resulted in a realised gain of USD 187,800. Since investment in Booth Fintech Private Limited was made prior to 01 April 2017, the gains from the disposal of shares was not subjected to Capital Gains Tax. As such, there was no capital gain tax for the year ended 2020 and 2019.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 13 TAXATION (CONTINUED)

Deferred tax assets, amounting to **USD 52,015** (2019: USD 52,015), in respect of tax losses carried forward amounting to **USD 346,765** (2019: USD 346,765) have not been recognised as the directors consider that it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

A numerical reconciliation between the accounting loss and taxation is shown below:

	2020 USD	2019 USD
(Loss)/profit before income taxation	(7,862,790)	35,303,820
(Loss)/profit before tax at applicable rate – 15 %	(1,179,419)	5,295,573
Impact of:		
Less non-taxable income – Realised gain on investment revaluation	(28,170)	(5,300,199)
Add non-deductible expenses*	1,203,151	1,477
Deferred tax asset not recognised	-	3,149
Unauthorised deductions	4,438	-
Taxation expense	-	-

\*Non-deductible expenses consist of unrealised loss on financial asset at fair value through profit or loss and interest expense.

Deferred tax asset has not been recognised in respect of accumulated tax losses amounting to **USD Nil** (2019: USD 649) because the directors consider that it will not be probable that future taxable income will be available against which the loss can be utilised.

## Bee Finance Limited

Notes to the separate financial statements  
For the year ended 31 March 2020

## 13 TAXATION (CONTINUED)

The tax losses are available for set off against taxable profits of the Company as follows:

Up to the year ending:	USD	Income year
31 March 2021	3,821	31 March 2016
31 March 2022	-	31 March 2017
31 March 2023	322,522	31 March 2018
31 March 2024	20,422	31 March 2019
31 March 2025	-	31 March 2020
	-----	
Total	346,763	
	=====	

## 14 RELATED PARTY DISCLOSURES

During the year ended 31 March 2020, the Company transacted with related parties. The nature, volume of transactions and balances with related parties are as follows:

Related party 31 March 2020	Relationship	Nature of transactions	Volume of transactions USD	Balance USD
The Bee Finance Employee Welfare Trust	Shareholder	Loan to Trust Expenses paid	- 5,063	1,583,021 15,221
B Singh Holdings Limited	Parent company	Expenses paid	11,211	11,211
Apex Fund Services (Mauritius) Ltd	Administrator, Secretary, Registrar and Directorship	Administration and professional fees	1,334	(3,416)
Bhupinder Singh	Ultimate Beneficiary, Shareholder & Director	Interest on loan payable Loan payable	229,705 1,258,094	(8,772) -
INCRD	Investee Company	Disposal proceeds of investment in assets held-for- sale	1,487,800	-
B Singh Holdings Limited	Parent company	Loan payable	-	(1,583,647)

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****14 RELATED PARTY DISCLOSURES (CONTINUED)**

Other than the transactions detailed above, the Company issued a letter of comfort to its investee company, Incred Financial Services Limited ("INCRED"). The management team of INCRED has confirmed its adherence to all loan covenants, as set out in the agreement between INCRED and the State Bank of India, as described in Note 5b and Note 5c.

During the year ended 31 March 2019, the Company transacted with related parties. The nature, volume of transactions and balances with related parties are as follows:

Related party 31 March 2019	Relationship	Nature of transactions	Volume of transactions USD	Balance USD
The Bee Finance Employee Welfare Trust	Shareholder	Loan to Trust Expenses paid	- 4,250	1,583,022 10,165
Apex Fund Services (Mauritius) Ltd	Administrator, Secretary, Registrar and Directorship	Administration and professional fees	7,900	(4,750)
Bhupinder Singh	Ultimate Beneficiary, Shareholder & Director	Interest on loan Loan payable	- -	(51,317) (1,258,094)
B Singh Holdings Limited	Parent company	Loan payable	-	(1,583,647)

*Key management personnel*

Since authority and responsibility for planning, directing and controlling the activities of the Company is with the board of directors, any person who was a director of the Company at any time during the year ended 31 March 2020 is considered to be key management personnel of the Company. The directors of the Company, Ms Tevina Ramsaha-Gulab and Mr Mahmad Hayder Amiran are also employees of Apex Fund Services (Mauritius) Ltd (the "Corporate Secretary") and hence are deemed to have beneficial interests in the Corporate Service Agreement between the Company and the Corporate Secretary.

No compensation was paid directly to key management personnel during the year ended 31 December 2020 (2019: USD Nil).

**15 PARENT AND ULTIMATE BENEFICIARY**

The directors consider B Singh Holdings Limited as the parent company and Mr Bhupinder Singh as its ultimate beneficiary owner.

**Bee Finance Limited****Notes to the separate financial statements  
For the year ended 31 March 2020****16 GOING CONCERN**

The Company incurred a net loss of **USD 7,862,790** (2019: Net Profit of USD 35,303,820) for the year ended 31 March 2020 and as of that date, its current assets exceeded its current liabilities by **USD 6,344** (2019: USD 35,284). The net assets position amounts to **USD 172,819,533** (2019: USD 180,682,323). As at 31 March 2020, there was a low cash and cash equivalent balance of **USD 199**.

The Ultimate Beneficial Owner has confirmed through a letter of support issued on 28 May 2021 that it will provide financial support to the Company to enable it to meet its obligations as they fall due. The letter of support shall be effective from 31 March 2020 and shall endure in full force and effect for the next 24 months, subsequent to which, an assessment shall be made to conclude whether such financial assistance would be further required.

Management has assessed the ability of the Company to continue as a going concern and is satisfied that the Company will have the resources to continue in business for the foreseeable future. Furthermore, the Company is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the separate financial statements have been prepared on the going concern basis.

**17 EVENTS AFTER REPORTING DATE**

On 28 October 2020, the Company approved the appointment of Mr. Gyaneshwarnath Gowrea as Director.

Other than as disclosed above, there have been no significant events after the reporting date which would require disclosure or amendment to the separate financial statements for the year ended 31 March 2020.