

INDIA MUMBAI INDIANS (PTY) LTD

FINANCIAL STATEMENTS

**For the period
30 August, 2022 to 31 March, 2023**

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of India Mumbai Indians (Pty) Ltd

Opinion

We have audited the financial statements of India Mumbai Indians (Pty) Ltd (the company), which comprise the statement of financial position as at 31 March 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of India Mumbai Indians (Pty) Ltd as at 31 March 2023, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statements section of our report. We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (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 information included in the document titled "India Mumbai Indians (Pty) Ltd Annual Financial Statements for the period ended 31 March 2023" which includes the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

Deloitte & Touche
Registered Auditor

Per: Meenesh Hira
Associate Director

South Africa

20 April 2023

India Mumbai Indians (Pty) Ltd

Statement of financial position as at 31 March 2023

		<u>ZAR</u>
	Notes	As at 31 March 2023
ASSETS		
Current assets		
Trade receivables	1	19 574 372
Prepayments and advances	2	9 072 345
Cash and cash equivalents	3	92 281 521
		<hr/>
Total current assets		120 928 238
		<hr/>
Total assets		120 928 238
		<hr/> <hr/>
EQUITY AND LIABILITIES		
Equity		
Share capital	4	234 600 000
Retained earnings		(117 083 302)
		<hr/>
Total equity		117 516 698
		<hr/>
Non-current liability		-
		<hr/>
Current liability		
Trade and other payables	5	3 411 540
		<hr/>
Total liabilities		3 411 540
		<hr/>
Total equity and liabilities		120 928 238
		<hr/> <hr/>

For India Mumbai Indians (Pty) Ltd

Devang Bhimjyani – Director

Jai Kishan Maheshwari - Director

Date : 19th April 2023

The accompanying notes form an integral part of these financial statements

India Mumbai Indians (Pty) Ltd**Statement of profit or loss and other comprehensive income for the period from 30 August 2022 (inception) to 31 March 2023**

		<u>ZAR</u>
	Notes	For the period 30 August 2022 to 31 March 2023
Income		
Revenue from operations	6	54 952 763
		<hr/>
Total Income		54 952 763
Expenses		
Employee benefits and expenses	7	(26 716 151)
General and administrative expenses	8	(142 872 134)
Net foreign exchange loss		(2 447 780)
		<hr/>
Profit /(Loss) for the period		(117 083 302)
Other comprehensive income		-
		<hr/>
Total comprehensive profit / (Loss) for the period		(117 083 302)
		<hr/> <hr/>

For India Mumbai Indians (Pty) Ltd**Devang Bhimjyani** – Director**Jai Kishan Maheshwari** - DirectorDate : 19th April 2023

The accompanying notes form an integral part of these financial statements

India Mumbai Indians (Pty) Ltd**Statement of changes in equity for the period from 30 August 2022 (Inception) to 31 March 2023****ZAR**

	Share Capital	Retained Earning	Total Equity
	As at 30 August 2022	For the period 30 August 2022 to 31 March 2023	As at 31 March 2023
Equity Share capital issued	234 600 000		234 600 000
Total comprehensive profit for the period	-	(117 083 302)	(117 083 302)
Balance at 31 March 2023	234 600 000	(117 083 302)	117 516 698

For India Mumbai Indians (Pty) Ltd**Devang Bhimjyani** – Director**Jai Kishan Maheshwari** - DirectorDate : 19th April 2023

The accompanying notes form an integral part of these financial statements

India Mumbai Indians (Pty) Ltd**Statement of cash flows for the period from 30 August 2022 (inception) to 31 March 2023****ZAR****For the period
30 August 2022
to 31 March 2023****Cash flows from operating activities**

Profit for the period	(117 083 302)
Operating cash flows before movements in working capital	(117 083 302)
Change in trade receivables	(19 574 372)
Change in prepayments and advances	(9 072 345)
Change in trade and other payables	3 411 540
Net cash generated from operating activities	(142 318 479)

Cash flows from investing activity

Purchase of property and equipment	-
Purchase of intangible asset	-
Net cash used in investing activities	-

Cash flows from financing activities

Issuance of share capital	234 600 000
Interest paid	-
Net cash generated from financing activities	234 600 000

Net increase in cash and cash equivalents	92 281 521
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	92 281 521

For India Mumbai Indians (Pty) Ltd**Devang Bhimjyani – Director****Jai Kishan Maheshwari - Director**Date : 19th April 2023

The accompanying notes form an integral part of these financial statements

India Mumbai Indians (Pty) Ltd

Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023

A. CORPORATE INFORMATION

India Mumbai Indians (Pty) Ltd ("the company") is a Private Limited Company incorporated in South Africa with its registered office at No.43, Magalies, 21 Montpark Drive, Montgomery Park, Gauteng, 2195, South Africa

The company owns and operates MI – Cape Town, the Franchisee of South Africa Premier League (SAT20) Twenty 20 cricket competition, organised by the Africa Cricket Development Proprietary Limited in South Africa.

B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS), which includes all applicable IFRSs, International Accounting Standards (IASs) and Interpretations issued by the IFRS Interpretations Committee and the requirements of the Companies Act 71 of 2008 of South Africa.

Company's financial statements are presented in Rands ("ZAR") which is its functional currency. These financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Company had reviewed below mentioned New & Revised IFRS accounting standards and confirm adoption of concerned standards in current year and also expect that there will not have any material impact on the company's financial statements.

- IFRS 17 (including the June 2020 and December 2021 amendments to IFRS 17)
- Insurance Contracts
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies
- Amendments to IAS 8 - Definition of Accounting Estimates
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

India Mumbai Indians (Pty) Ltd**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023**

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**C.1 Use of Estimates:**

The preparation of the financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses.

During the year, such estimates are necessarily based on assumptions regarding several factors. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future years affected.

C.2 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

C.3 Current and Non-Current Classification

The Company presents assets and liabilities in the Statement of Financial Position based on Current/ Non-Current classification.

An asset is treated as current when it is -

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.
- A liability is current when:
 - It is expected to be settled in the normal operating cycle;
 - It is held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

India Mumbai Indians (Pty) Ltd**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023**

C.4 Cash and Cash Equivalent

Cash and cash equivalents comprise of cash on hand, cash at bank, short-term deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

C.5 Provisions

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

C.6 Foreign Currencies Transactions and Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

C.7 Revenue Recognition

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those services. Revenues from performance of services are linked to tournament and recognised in Statement of Profit and Loss along with associated cost on completion of tournament. Revenue is measured at the amount of consideration which the company expects to be entitled to in exchange for transferring distinct services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

In case of discounts, rebates, credits, price incentives or similar terms, consideration are determined based on its most likely amount, which is assessed at each reporting period.

C.8 Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

India Mumbai Indians (Pty) Ltd**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023**

C.9 Contract liabilities

Contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract i.e. Income is recognised once these rights are exercised by customers as per the contract during the SAT20 season.

C.10 Financial Instruments:

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

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

Trade and other receivables*Classification*

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at transaction price.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at transaction costs.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

India Mumbai Indians (Pty) Ltd**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023**

Measurement and recognition of expected credit losses

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all assets subject to credit risk.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics.

The expected loss rates are based on the payment profiles of customers over a period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information affecting the ability of the customers to settle the receivables.

Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery. Any recoveries made are recognised in profit or loss.

Trade and other payables*Classification*

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at transaction cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition at transaction costs.

Cash and cash equivalents

Cash and cash equivalents are stated at actual amounts.

Cash is cash on hand and demand deposits, if any. Cash equivalents are the balances with banks. Non ZAR transactions with bank had been recognised on date of transaction.

India Mumbai Indians (Pty) Ltd

Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023

D. Related Party Disclosures

Related parties comprise the Shareholder, key management personnel and entities in which the Shareholder have the ability to control or exercise significant influence in the financial and operational decisions. There was no payment towards Director's Remuneration during the year.

Name of the related party and the nature of the relationship:

Transactions during the year	<u>USD</u>	<u>ZAR</u>
Share Capital Contribution from Parent Company		
Reliance Strategic Business Ventures Ltd	13 099 329	234 600 000
Purchase of Merchandise		
Reliance Retail Ltd	50 172	869 683
Professional Fees		
Rise Worldwide Ltd	217 183	4 006 831

E. Financial Instruments

E.1 Reconciliation of financial instruments to statement of financial position:

	<u>ZAR</u>
	As at 31 March 2023
Financial assets carried at amortised cost	
Trade receivable	19 574 372
Cash & Cash Equivalents	92 281 521
	111 855 893
Financial liabilities carried at amortised cost	
Trade Payables	3 411 540
	3 411 540

E.2 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern. The capital structure of the company consists of equity comprising share capital and retained earnings.

India Mumbai Indians (Pty) Ltd**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023**

E.3 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note C.10 to the financial statements.

E.4 Financial risk management objectives

The company seeks to minimise the effects of fair value interest rate risk and price risk through active management processes. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The company has financial risk management policies in place to ensure all payables are paid within agreed credit terms.

E.5 Market risk

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

E.6 Foreign currency risk management

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Company is not doing any forwards & future or currency swap transactions. Exposure to foreign currency as at the year-end is not material.

E.7 Credit risk management

Credit risk is the risk that a Broker or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company.

It arises from cash and cash equivalents, financial instruments and from credit exposures relating to outstanding receivables.

The Company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. There is no provision towards doubtful debts as all receivables are good and will be received in short term,

E.8 Liquidity and interest risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements. The company is able to actively source financing from within the shareholders.

India Mumbai Indians (Pty) Ltd**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023****E.9 Interest rate risk**

The company has no borrowings from banks or other financial institutions. There are no interest payments in the company.

F. Tax Expenses

The company has a tax loss of ZAR (117 083 302) which will be used to offset future taxable income. This will result in future tax savings of approximately ZAR 31 612 491. However, a deferred taxation asset has not been recognised as it is not probable that future taxable profits will be available to utilise the deductible difference in the foreseeable future. Thus, the movement in deferred tax has also not been recognised.

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense

Accounting loss	R (117 083 302)
Tax at the statutory tax rate of 27%	R 31 612 491
Assessed loss not recognised	R (31 612 491)
	NIL

The assessed losses are limited to the higher of R1 million or 80% of the taxable income.

G. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

H. Events after reporting date

The change in tax rate from 28% to 27% was announced at the budget speech in February 2022 and is effective for the years ending on or after 31 March 2023.

Linked to the corporate tax rate change certain measures were put in place by the Government to broaden the tax base and ensure the rate change is fiscally neutral. These changes relate to limiting the assessed losses that are set off against taxable income to the higher of R1 million or 80% of the taxable income and further limiting of interest deductions in respect of debts owed to persons not subject to tax.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

India Mumbai Indians (Pty) Ltd

Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023

	<u>ZAR</u>		
	As at 31 March 2023		
1 Trade receivables			
Trade receivable	19 574 372		
Total	19 574 372		
	<u>ZAR</u>		
	As at 31 March 2023		
2 Prepayments and advances			
VAT Recoverable (Net)	8 689 596		
Others	382 749		
Total	9 072 345		
	<u>ZAR</u>		
	As at 31 March 2023		
3 Cash and cash equivalents			
Balances with Banks	92 281 521		
Total	92 281 521		
4. Share Capital			
The authorised share capital of the Company is 500 000 000 Ordinary No Par Value (NPV) Shares			
Name	No. of Shares	Amount <u>ZAR</u>	Ownership %
Reliance Strategic Business Ventures Ltd (India)	234 600 001	234 600 000	100%
		<u>ZAR</u>	
		As at 31 March 2023	
5. Trade & Other Payables			
Trade Payables		3 411 540	
Total		3 411 540	
		<u>ZAR</u>	
		For the period	
		30 August 2022	
		to 31 March 2023	
6. Revenue from operations			
Income from Right Fees & Events Management		35 498 401	
Share of Central Rights		19 454 362	
Total		54 952 763	

India Mumbai Indians (Pty) Ltd

Notes to the Financial Statements for the period from 30 August 2022 (Inception) to 31 March 2023

	<u>ZAR</u>
	For the period 30 August 2022 to 31 March 2023
7. Employee benefits and expenses	
Players Fees - Employees	19 481 000
Support Staff Fees - Employees	3 842 000
Support Staff Fees - Foreign - Employees	198 530
Player Fees - Levies - Employer Contribution	71 088
Support Staff - Levies - Employer Contribution Player & Staff Levies - COIDA Employer Contribution Others	3 072 000 13 761
Total	37 772
	26 716 151

	<u>ZAR</u>
	For the period 30 August 2022 to 31 March 2023
8. General and administrative expenses Franchisee	
Fees	62 619 173
Player Fees	30 944 862
Marketing Expenses	18 579 558
Logistics Expenses	12 885 654
Stadium Management Charges	6 359 541
Others	5 558 238
Professional Fees	5 250 998
Audit Fees	482 000
Legal Expenses	192 110
Total	142 872 134

India Mumbai Indians (Pty) Ltd

**Notes to the Financial Statements for the period from 30 August 2022 (Inception) to
31 March 2023**

For India Mumbai Indians (Pty) Ltd

Devang Bhimjyani – Director

Jai Kishan Maheshwari - Director

Date : 19th April 2023