Dhunseri Mauritius Pte Ltd

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

Dhunseri Mauritius Pte Ltd

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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Dhunseri Mauritius Pte Ltd

CORPORATE DATA

			Date of appointment
DIRECTORS	:	Sangeeta Bissessur Indranathsingh Seewooruttun Akhil Ginodia	2 May 2018 2 May 2018 2 May 2018
ADMINISTRATOR, SECRETARY & TAX AGENT	:	SANNE Mauritius IFS Court Bank Street, TwentyEight Cybercity Ebene 72201 Mauritius	
REGISTERED OFFICE	:	IFS Court Bank Street, TwentyEight Cybercity Ebene 72201 Mauritius	
AUDITORS	:	Nexia Baker & Arenson Chartered Accountants 5th Floor, C&R Court 49, Labourdonnais Street Port Louis Mauritius	
BANKER	:	AfrAsia Bank Ltd Bowen Square 10, Dr Ferriere Street Port Louis Mauritius	

Dhunseri Mauritius Pte Ltd

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the audited financial statements of **Dhunseri Mauritius Pte Ltd** (the "Company") for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

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

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. 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.

AUDITORS

The auditors, **Nexia Baker & Arenson**, have expressed their willingness to continue in office, until the next Annual Meeting of the Company.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **Dhunseri Mauritius Pte Ltd** under the Mauritius Companies Act 2001 for the year ended 31 December 2019.

***for* SANNE Mauritius**
Secretary

Registered Office:

IFS Court
Bank Street, TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 9 April 2020

Nexia
Baker & Arenson

5th Floor, C&R Court
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INDEPENDENT AUDITORS' REPORT

To the shareholder of Dhunseri Mauritius Pte Ltd

Report on the Financial Statements

Opinion

We have audited the financial statements of **Dhunseri Mauritius Pte Ltd** (the "Company"), set out on pages 8 to 25 which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 11 of the financial statements concerning the Company's ability to continue as going concern. The Company incurred a loss of USD11,187 during the year ended 31 December 2019 and as at that date the Company's total liabilities exceeded its total assets by USD28,940. The holding company has undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary. The other information does not include the financial statements and our auditors' report thereon.

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

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

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INDEPENDENT AUDITORS' REPORT

To the shareholder of Dhunseri Mauritius Pte Ltd

Report on the Financial Statements (continued)

Directors' Responsibilities for the Financial Statements
The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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INDEPENDENT AUDITORS' REPORT

To the shareholder of Dhunseri Mauritius Pte Ltd

Report on the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter
This report is made solely to the Company's shareholder, 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 shareholder, 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 shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001
We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all 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.

Nexia Baker & Arenson

Nexia Baker & Arenson
Chartered Accountants

Nitin Kumar Sobnack FCCA
Licensed by FRC

Date: **9 April 2020**

Dhunseri Mauritius Pte Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	2019	2018
		USD	USD
ASSETS			
Current assets			
Prepayments		**2,325**	3,300
Cash and cash equivalents		**70**	-
		2,395	3,300
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	6	**1**	1
Revenue deficit		**(28,941)**	(17,754)
		(28,940)	(17,753)
Current liabilities			
Advance from shareholder	7	**29,563**	14,703
Accruals		**1,772**	6,350
		31,335	21,053
Total equity and liabilities		**2,395**	3,300

Approved by the Board of Directors and authorised for issue on 9 April 2020 and duly signed on its behalf by:

Director

Director

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

Dhunseri Mauritius Pte Ltd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019	For the period from 02 May 2018 to 31 December 2018
		USD	USD
Income		-	-
Expenses			
Professional fees	4	5,512	10,485
Licence fees		2,595	2,340
Director fees		1,600	1,329
Audit fees		1,350	1,000
Bank charges		130	-
Set-up costs		-	1,400
Legal fees		-	1,200
		11,187	17,754
Loss before taxation		(11,187)	(17,754)
Taxation	5	-	-
Loss for the year/period		(11,187)	(17,754)
Other comprehensive income		-	-
Total comprehensive loss for the year/period		(11,187)	(17,754)

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

Dhunseri Mauritius Pte Ltd

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Stated capital	Revenue deficit	Total
		USD	USD	USD
Issue of share	6	1	-	1
Toral comprehensive loss for the period		-	(17,754)	(17,754)
At 31 December 2018		1	(17,754)	(17,753)
Total comprehensive loss for the year		**-**	**(11,187)**	**(11,187)**
At 31 December 2019		**1**	**(28,941)**	**(28,940)**

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

Dhunseri Mauritius Pte Ltd

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019	For the period from 02 May 2018 to 31 December 2018
		USD	USD
Cash flows from operating activities			
Loss before taxation		**(11,187)**	(17,754)
Loss before working capital changes		**(11,187)**	(17,754)
Decrease/(increase) in prepayments		**975**	(3,300)
(Decrease)/increase in accruals		**(4,578)**	6,350
Net cash used in operating activities		**(14,790)**	(14,704)
Cash flows from financing activities			
Issue of share	6	**-**	1
Amount received from shareholder	7	**14,860**	14,703
Net cash from financing activities		**14,860**	14,704
Net increase in cash and cash equivalents		**70**	-
Cash and cash equivalents at beginning of the year/period		**-**	-
Cash and cash equivalents at end of the year/period		**70**	-

The notes on pages 12 to 25 form an integral part of these financial statements.
Independent auditors' report on pages 5 to 7.

1. General information

The Company was incorporated in Mauritius under the Companies Act 2001 on 2 May 2018 as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company's registered office address is IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is to act as an investment holding company.

The financial statements of the Company are presented in United States Dollar (“USD”). The Company’s functional currency is the USD, the currency of the primary economic environment in which the Company operates.

2. Accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and comply with the Mauritius Companies Act 2001. The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the fair valuation of financial instruments where applicable.

(b) Adoption of new and revised International Financial Reporting Standards

Standards and amendments that are effective for annual periods beginning on or after 1 January 2019

· ***IFRS 16 ‘Leases’***

IFRS 16 ‘Leases’ replaces IAS 17 ‘Leases’ along with three Interpretations (IFRIC 4 ‘Determining whether an Arrangement contains a Lease’, SIC 15 ‘Operating Leases-Incentives’ and SIC 27 ‘Evaluating the Substance of Transactions Involving the Legal Form of a Lease’). IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of IFRS 16 on the Company’s financial statements is described below. The standard is not expected to impact the Company’s as it is not the Company’s activities.

Dhunseri Mauritius Pte Ltd

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. Accounting policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments that are effective for annual periods beginning on or after 1 January 2019 (continued)

- ***IFRIC 23 Uncertainty over Income Tax Treatments***

The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

§ determine whether uncertain tax positions are assessed separately or as a group; and
§ assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
– If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
– If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

The adoption of IFRIC 23 has no impact on the Company's financial statements.

- ***IFRS 9 Prepayment Features with Negative Compensation (Amendments to IFRS 9)***

The Company has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the 'solely payments of principal and interest' (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI.

The adoption of OFRS 9 did not have any impact on the Company's financial statements.

- ***IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)***

The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The standard is not expected to impact the company as it is not relevant to the Company's activities.

2. Accounting policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments that are effective for annual periods beginning on or after 1 January 2019 (continued)

· ***Annual Improvements to IFRS 2015-2017 Cycle***

The Annual Improvements include amendments to four Standards:

Ø **IAS 12 Income Taxes**

The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. The standard has no impact on the Company's financial statements.

Ø **IAS 23 Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The standard has no impact on the Company's financial statements.

Ø **IFRS 3 Business Combinations**

The amendments clarify that when the Company obtains control of a business that is a joint operation, the Company applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. The standard has no impact on the Company's financial statements.

Ø **IFRS 11 Joint Arrangements**

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Company does not remeasure its PHI in the joint operation. The standard has no impact on the Company's financial statements.

2. Accounting policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments that are effective for annual periods beginning on or after 1 January 2019 (continued)

· ***Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)***

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income. The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The Company will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net definedbenefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

The standard is not expected to impact the Company as it is not relevant to the Company’s activities.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

· ***IFRS 17 Insurance Contracts***

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders’ options and guarantees.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. An exposure draft Amendments to IFRS 17 addresses concerns and implementation challenges that were identified after IFRS 17 was published. One of the main changes proposed is the deferral of the date of initial application of IFRS 17 by one year to annual periods beginning on or after 1 January 2022.

2. Accounting policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments that are effective for annual periods beginning on or after 1 January 2019(continued)

· ***IFRS 17 Insurance Contracts (continued)***

For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

· ***IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.

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

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Additional guidance is provided that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020, with early application permitted.

2. Accounting policies (continued)

(b) Adoption of new and revised International Financial Reporting Standards (continued)

Standards and amendments that are effective for annual periods beginning on or after 1 January 2019 (continued)

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

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.
The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.
The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

· ***Conceptual Framework for Financial Reporting***

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

(c) Foreign currency translation

Functional and presentation currency

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

Management has determined the functional currency of the Company to be USD. In making this judgement, management evaluates among other factors, the regulatory and competitive environment, the denomination of subscription/buyback of the fee structure as well as the economic environment in which the financial assets of the Company are invested and in particular, the economic environment of the investors.

2. Accounting policies (continued)

(c) Foreign currency translation (continued)

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 of the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

(d) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost, if it is held within a business model with an objective to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payment of principal and interest.

(e) Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category accruals and advance from shareholder.

(f) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost. The Company recognises a loss allowance for such losses at end of each reporting period.

(g) Cash and cash equivalents

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

2. Accounting policies (continued)

(h) Stated capital

Ordinary shares are classified as equity.

(i) Provisions

A provision is recognised only when there is a present obligation (legal or constructive) as a result of a past event, and 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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Borrowings

Borrowings are recognised at the proceeds received, net of transaction costs incurred. These loans are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(k) Related parties

Related parties are individuals and companies where the individuals or companies have the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions.

(l) Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, advance from shareholder and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(m) Deferred taxes

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses can be utilised.

2. Accounting policies (continued)

(n) Income tax

Income taxes currently payable are provided for in accordance with the existing legislation of the various countries in which the Company operates.

(o) Expense recognition

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

3. Critical accounting estimates and judgements

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. As described in Note 2 (c), the directors have considered those factors therein and have determined that the functional currency of the Company is the USD.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder of the Company. The directors have received confirmation from the shareholder that this support will be forthcoming over the next twelve months. They, therefore, believe that it is appropriate for the financial statements to be prepared on the going concern basis.

4. Professional fees

	2019	2018
	USD	USD
Administration fees	**3,337**	6,492
Other professional fees	**-**	2,100
Tax filing fees	**1,175**	1,063
Secretarial fees	**1,000**	830
	5,512	10,485

5. Taxation

The Company was issued a Category 1 Global Business License from the Mauritius Financial Services Commission on 2 May 2018, deemed to be converted into a Global Business Licence effective 1 January 2019 for the purposes of the provisions of the Mauritius Financial Services

The Company is expected to be entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed Tax Credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, with respect to

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. Under the new tax regime and subject to meeting the necessary substance and compliance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) along with such guidelines issued by the competent authorities in Mauritius, the Company is 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

The Company is expected to be 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 Shareholder or in respect of redemptions or exchanges of

(a) <u>Reconciliation of effective tax</u>

The tax on the Company's results before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2019	2018
	USD	USD
Loss before taxation	**(11,187)**	(17,754)
Tax calculated at the rate of 15%	**(1,678)**	(2,663)
Expenses not deductible for tax purposes	**29**	589
Tax losses for which no deferred tax was recognised	**1,649**	2,074
Tax charge	**-**	-

5. Taxation (continued)

(b) At 31 December 2019, the Company had tax loss of USD10,992 carried forward and was therefore not liable to income tax. The tax losses are available for set off against future taxable profit up to the year ending 31 December 2024.

(c) A deferred tax asset of USD1,649 has not been recognised in respect of the tax losses carried forward 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.

6. Stated capital

	2019	2018
	USD	USD
Issued and fully paid		
1 ordinary share of USD 1		
At beginning of the year/period	**1**	-
Issued during the year/period	**-**	1
At end of the year/period	**1**	1

Ordinary shareholders are entitled to vote on all matters requiring shareholders' approval to receive dividends and a share of distribution on winding up of the Company.

7. Related party transaction

	2019	2018
Advance from shareholder	**USD**	USD
At beginning of the year/period	**14,703**	-
Additions during the year/period	**14,860**	14,703
At end of the year/period	**29,563**	14,703

The advance from shareholder is unsecured, interest free and with no fixed repayment terms.

8. Financial instruments and associated risks

(a) Fair values

The carrying amounts of advance from shareholder and accruals approximate their fair values.

8. Financial instruments and associated risks (continued)

(a) Fair values (continued)

	2019	
	At amortised cost	**Total carrying amounts**
	USD	**USD**
Financial asset		
Cash and cash equivalents	**70**	**70**
Financial liabilities		
Advance from shareholder	**29,563**	**29,563**
Accruals	**1,772**	**1,772**

	2018	
	At amortised cost	Total carrying amounts
	USD	USD
Financial liabilities		
Advance from shareholder	14,703	14,703
Accruals	6,350	6,350

(b) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instrument. The Company's exposure to market risk is determined by a number of factors including interest rates, foreign currency exchange rates and market volatility. The Company is yet to conduct its investment operations and as such is currently not exposed to such risk.

(i) Currency profile

The Company's financial instruments are denominated in USD.

(ii) Currency risk

The Company is not exposed to any currency risk since all its financial assets and liabilities are denominated in USD.

8. Financial instruments and associated risks (continued)

(b) Market risk (continued)

(iii) Interest rate risk

The Company is not exposed to any significant interest rate risk as it does not have major interest bearing financial instruments. At 31 December 2019, the Company had a bank balance of USD70 and no interest income was earned. A change in the market interest rate would impact marginally on the Company's operating cash flows.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that 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. This depends on the continued financial support from the shareholders.

(d) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due.

(e) Capital risk management

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity.

9. Holding company

The directors regard Dhunseri Petrochem & Tea Pte. Ltd., a company incorporated in Singapore as the Company's holding company.

10. Events after the reporting period

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect supply chains or otherwise impact our businesses. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The impact of the Coronavirus outbreak on our business is unclear yet and we are monitoring the situation closely. Risk mitigating actions

11. Going concern

The financial statements are prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company incurred a loss of USD11,187 during the year ended 31 December 2019 (period ended 31 December 2018: USD 17,754) and, at that date the Company's total liabilities exceeded its total assets by USD28,940 (2018: USD 17,753). The shareholder of the Company has undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

12. Comparatives

The comparative figures are for the period from 02 May 2018 (date of incorporation) to 31 December 2018. Therefore, the comparative figures for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.