Dhunseri Mauritius Pte Ltd

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

Dhunseri Mauritius Pte Ltd

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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Dhunseri Mauritius Pte Ltd

CORPORATE DATA

			Date of appointment
DIRECTORS	**:**	Sangeeta Bissessur Akhil Ginodia Mooneshwaree Lalbeharry	2 May 2018 2 May 2018 30 September 2022
ADMINISTRATOR, SECRETARY & TAX AGENT	**:**		
REGISTERED OFFICE	**:**	Apex House Bank Street, TwentyEight Cybercity Ebene 72201 Mauritius	
AUDITOR	**:**	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	

The directors present the audited financial statements of **Dhunseri Mauritius Pte Ltd** (the “Company”) for the year ended 31 December 2023.

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.

Basis of preparation of financial statements

Break-up Basis

At 31 December 2023, the Company was in net current liability position of **USD 68,275** (2022: USD 60,010) and net liability position of **USD 68,275** (2022: USD60,010).

Basis of preparation of financial statements (continued)

Break-up basis (continued)

The financial statements have been prepared on a break-up basis as the Board of Directors intend to wind up the Company subsequent to year-end. The assets and liabilities are stated at their estimated recoverable values and settlement amounts. There has not been a significant change in the accounting policies and the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The immediate parent, Dhunseri Petrochem & Tea Pte. Ltd intends to make good all liabilities and obligations of the Company. It is the intention of the immediate parent to provide financial and other support to the Company in order for the Company to meet its liabilities.

AUDITOR

As the Company is intended to be wound up, the auditor, **Nexia Baker & Arenson**, shall not be re-appointed at 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 2023.

____

***for* Apex Financial Services (Mauritius) Ltd**
Company Secretary

Registered Office:

Apex House
Bank Street, TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 27 May 2024

Nexia Baker & Arenson

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INDEPENDENT AUDITOR'S 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 9 to 26 which comprise the statement of financial position as at 31 December 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 year then ended, and the notes to the financial statements, including material 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 2023, 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 Auditor's 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.

Emphasis of matter - Departure from the Going Concern Basis of Accounting

In forming our opinion on the financial statements, which is not modified, we have considered the presentation of the financial statements on the break-up basis and the adequacy of the disclosure made under the note 2 (a) to the financial statements. The break-up basis has been adopted as the directors intend to wind up the Company.

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 auditor's report thereon.

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

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

Directors' Responsibilities for the Financial Statements

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INDEPENDENT AUDITOR'S 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.

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 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.
- 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF DHUNSERI MAURITIUS PTE LTD

Report on the Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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.

Use of this report

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 auditor's 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 auditor.

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

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Licensed by FRC

Date:**27 May 2024**

Dhunseri Mauritius Pte Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Notes	2023	2022
		USD	USD
ASSETS			
Current assets			
Prepayments		**103**	-
Cash and cash equivalents		**1,560**	13,107
Total assets		**1,663**	13,107
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	6	**1**	1
Revenue deficit		**(68,276)**	(60,011)
		(68,275)	(60,010)
Current liabilities			
Advance from shareholder	7	**67,813**	67,813
Accruals		**2,125**	5,304
		69,938	73,117
Total equity and liabilities		**1,663**	13,107

These financial statements have been approved by the Board of Directors and authorised for issue on 27 May 2024 and duly signed on its behalf by:

Director

Director

The notes on pages 13 to 26 form an integral part of these financial statements.
Independent auditors' report on pages 6 to 8.

Dhunseri Mauritius Pte Ltd

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		USD	USD
Income		-	-
Expenses			
Professional fees	4	**3,820**	5,785
License fees		**1,525**	3,475
Director fees		**1,530**	1,200
Audit fee		**1,150**	1,150
Bank charges		**240**	500
		8,265	12,110
Loss before taxation		**(8,265)**	(12,110)
Taxation	5	-	-
Loss for the year		**(8,265)**	(12,110)
Other comprehensive income		-	-
Total comprehensive loss for the year		**(8,265)**	(12,110)

The notes on pages 13 to 26 form an integral part of these financial statements.
Independent auditors' report on pages 6 to 8.

Dhunseri Mauritius Pte Ltd

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Stated capital USD	Revenue deficit USD	Total USD
A 31 Januart 2022	1	(47,901)	(47,900)
Total comprehensive loss for the year	-	(12,110)	(12,110)
At 31 December 2022	1	(60,011)	(60,010)
Total comprehensive loss for the year	**-**	**(8,265)**	**(8,265)**
At 31 December 2023	**1**	**(68,276)**	**(68,275)**

Dhunseri Mauritius Pte Ltd

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		USD	USD
Cash flows from operating activities			
Loss before taxation		**(8,265)**	(12,110)
Loss before working capital changes		**(8,265)**	(12,110)
Movement in prepayments		**(103)**	975
Movement in accruals		**(3,179)**	(1,918)
Net cash used in operating activities		**(11,547)**	(13,053)
Cash flows from financing activity			
Amount received from shareholder	7	**-**	25,950
Net cash from financing activity		**-**	25,950
Net movement in cash and cash equivalents		**(11,547)**	12,897
Cash and cash equivalents at beginning of the year		**13,107**	210
Cash and cash equivalents at end of the year		**1,560**	13,107

The notes on pages 13 to 26 form an integral part of these financial statements.
Independent auditors' report on pages 6 to 8.

1. General information

Dhunseri Mauritius Pte Ltd (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. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 (“FMPA 2018”) to the Financial Services Act (“FSA”), the Company is deemed to hold a Global Business Licence as from 1 July 2021 under section 96A(1)(b) of the FSA.

The Company's registered office address is Apex House, 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.

The Board of Directors intend to liquidate the Company subsequent to year-end.

2. Material accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and in compliance 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 break-up basis.

At 31 December 2023, the Company was in net current liability position of **USD 68,275** (2022: USD 60,010) and net liability position of **USD 68,275** (2022: USD 60,010).

The financial statements have been prepared on a break-up basis as the Board of Directors intend to wind up the Company subsequent to year-end. The assets and liabilities are stated at their estimated recoverable values and settlement amounts, respectively. There has not been a significant change in the accounting policies and the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

2. Material accounting policies (continued)

(a) Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the Company's accounting policies. There are no areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

The immediate parent, Dhunseri Petrochem & Tea Pte. Ltd intends to make good of all liabilities and obligations of the Company. It is the intention of the immediate parent to provide financial and other support to the Company in order for the Company to meet its liabilities.

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

(i) New and amended IFRS Accounting Standards that are effective in the reporting period

The Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

IFRS 17 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 Directors have assessed the impact of the IFRS 17 Insurance Contracts and is of the view that they do not have any impact on the Company's financial statements for the year under review.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

2. Material accounting policies (continued)

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

(i) New and amended IFRS Accounting Standards that are effective in the reporting period (continued)

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on 01 January 2023 that have a material impact on the Company.

(ii) New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

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	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

(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. Material 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 instruments

(i) Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at 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 on the principal amount outstanding.

Financial assets - Business model assessment

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

2. Material accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets - Business model assessment (continued)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintain a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing 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 these risks are managed;

- how managers of the business are compensated – e.g whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

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

The Company had no financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features.

2. Material accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest (continued)

- prepayment and extension features; and

- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

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 loan from shareholder, payable and accruals.

(e) Impairment

Non-derivative financial assets

The Company recognises loss allowances for 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:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

2. Material accounting policies (continued)

(e) Impairment (continued)

Non-derivative financial assets (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 assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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 security; or

- the financial asset is more than 90 days past due.

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 end of the reporting period (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.

Measurement of ECLs

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

(i) Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment.

Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified.

2. Material accounting policies (continued)

(e) Impairment (continued)

Measurement of ECLs (continued)

(i) Financial assets measured at amortised cost (continued)

Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's 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 profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(ii) Non-financial assets

At end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Material accounting policies (continued)

(f) 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.

(g) Stated capital

Ordinary shares are classified as equity.

(h) 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.

(i) 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 rate method.

(j) 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.

(k) 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. Material accounting policies (continued)

(l) Income tax

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

(m) 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.

4. Professional fees

	2023	2022
	USD	USD
Administration fees	**1,125**	1,875
Other professional fees	**931**	2,410
Tax filing fees	**807**	750
Secretarial fees	**957**	750
	3,820	5,785

5. Taxation

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. Companies 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 tax credit”) on its foreign source income resulting in an 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, 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 interest income and foreign source dividends, subject to meeting certain conditions, which includes:

(i) The Company carries out its core income generating activities in Mauritius;
(ii) The Company employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
(iii) The Company incurs a minimum expenditure proportionate to its level of activities.

(iv) The Company will also need to demonstrate that its central management and control is in

(a) <u>Tax losses</u>

	USD
Up to the year ending 31 December 2024	10,992
Up to the year ending 31 December 2025	9,683
Up to the year ending 31 December 2026	9,277
Up to the year ending 31 December 2027	12,110
Up to the year ending 31 December 2028	8,265
Total	50,327

(b) <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:

	2023	2022
	USD	USD
Loss before taxation	**(8,265)**	(12,110)
Tax calculated at the rate of 15%	**(1,240)**	(1,817)
Deferred tax asset not recognised	**1,240**	1,817
Tax charge	**-**	-

5. Taxation (continued)

(c) At 31 December 2023, the Company had tax loss of USD50,327 carried forward and was therefore not liable to income tax. The tax losses are available for set off against future taxable profit as disclosed in (a).

(d) No deferred tax asset has been recognised in respect of the tax losses carried forward as the directors consider that it is not probable that future taxable profit will not be available against which the unused tax losses can be utilised.

6. Stated capital

	2023	2022
	USD	USD
Issued and fully paid		
1 ordinary share of USD 1		
At beginning and end of the year	**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

	2023	2022
Advance from shareholder	**USD**	USD
At beginning of the year	**67,813**	41,863
Additions during the year	**-**	25,950
At end of the year	**67,813**	67,813

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 cash and cash equivalents, advance from shareholder and accruals approximate their fair values.

8. Financial instruments and associated risks (continued)

(a) Fair values (continued)

	2023	
	At amortised cost	**Total carrying amounts**
	USD	**USD**
Financial asset		
Cash and cash equivalents	**1,560**	**1,560**
Financial liabilities		
Advance from shareholder	**67,813**	**67,813**
Accruals	**2,125**	**2,125**

	2022	
	At amortised cost	Total carrying amounts
	USD	USD
Financial asset		
Cash and cash equivalents	13,107	13,107
Financial liabilities		
Advance from shareholder	67,813	67,813
Accruals	5,304	5,304

(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 and foreign currency exchange rates.

(i) 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)

(ii) 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 2023, the Company had a bank balance of USD 1,560 (2022: USD: 13,107) and no interest income was earned.

(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. In addition, the Company has financial support from its shareholder. The financial obligations of the Company consist mainly of advance from shareholder. As such, the risk is viewed as minimal since the Company is dealing principally with its shareholder.

(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. The Company is not exposed to any such risk.

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

As the Board of directors intend to wind up the Company subsequent to year end, this shall be approved at the next board meeting along with the approval of the audited financial statements for the year ended 31 December 2023. The holding Company has undertaken to provide financial and other support to the Company, so as to enable it to meet its obligations before final struck off of the Company.

11. Contingent liabilities

There is no pending litigation either in the hands of the Company's solicitors or otherwise and there were no contingent liabilities of a material amount for which provision needs to be made in the financial statements.