Queen Project (Mauritius) Ltd

FINANCIAL STATEMENTS

31 March 2019

QUEEN PROJECT (MAURITIUS) LTD

CONTENTS

QUEEN PROJECT (MAURITIUS) LTD

CORPORATE INFORMATION

		Date appointed	Date resigned
DIRECTORS:	Kaushik Kantilal Shah	08 May 2009	-
	Sevin Chendriah	19 February 2016	-
	Sahjahan Ally Nauthoo	28 February 2017	11 May 2018
	Savinilorna Payandi-Pillay-Ramen	11 May 2018	-

CORPORATE SECRETARY:

IQ EQ Corporate Services (Mauritius) Ltd
(formerly known as SGG Corporate Services (Mauritius) Ltd)
33, Edith Cavell Street
Port Louis, 11324
REPUBLIC OF MAURITIUS

REGISTERED OFFICE:

C/o IQ EQ Corporate Services (Mauritius) Ltd
(formerly known as SGG Corporate Services (Mauritius) Ltd)
33, Edith Cavell Street
Port Louis 11324
REPUBLIC OF MAURITIUS

AUDITORS:

Morison (Mauritius)
Chartered Certified Accountants
5th Floor, City Centre Bldg
No 31, Cnr La Corderie & Leoville L'Homme Streets
Port Louis
REPUBLIC OF MAURITIUS

BANKER:

AfrAsia Bank Ltd
Bowen Square
10, Dr Ferrière Street
Port Louis
REPUBLIC OF MAURITIUS

COMMENTARY OF THE DIRECTORS

The directors have pleasure in submitting their commentary and their audited financial statements of Queen Project (Mauritius) Ltd, (the "Company"), for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of dividend for the year under review (2018: Nil).

DIRECTORS

The present membership of the Board is set out on page 1.

GOING CONCERN

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

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, changes in equity 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 International Financial Reporting 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 confirm 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, Morison (Mauritius), Chartered Certified Accountants have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting of the shareholders.

Know how know you

CERTIFICATE FROM THE SECRETARY

We certify that, to the best of our knowledge and belief, Queen Project (Mauritius) Ltd has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of Section 166(d) for the year ended 31 March 2019.

for **IQ EQ Corporate Services (Mauritius) Ltd**
Corporate secretary

Date: 21. 05. 2019

IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port-Louis, 11324, Mauritius

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF QUEEN PROJECT (MAURITIUS) LTD

Opinion

We have audited the financial statements of Queen Project (Mauritius) Ltd, (the "Company"), which comprise the statement of financial position at 31 March 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements on pages 7 to 35 give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act 2001 .

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with these requirements. 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 of the commentary of the directors and the certificate from the secretary as required by the Mauritius Companies Act 2001 but 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 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of the 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 these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for companies holding a Category 1 Global Business Licence 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF QUEEN PROJECT (MAURITIUS) LTD

Responsibilities of the Directors for the Financial Statements (Cont'd)

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 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF QUEEN PROJECT (MAURITIUS) LTD

Auditors' Responsibilities for the audit of the Financial Statements (Cont'd)

- 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.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act 2001

- we have no relationship with, or any interests in, the Company other than in our capacity as auditors;
- we have obtained all the information and explanations we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Use of report

This report is made solely for the Company's shareholder, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters 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.

Morison (Mauritius)
Chartered Certified Accountants

Nazeer A. Bhugaloo, FCCA, ADIT *(Licensed by FRC)*
Signing Partner

Date: 21 MAY 2019

Port Louis, Mauritius

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019	2018
		MUR	MUR
ASSETS			
Non current asset			
Investment in subsidiary	5	155,455,136	155,455,136
Current asset			
Loan receivable	6	635,980	-
Other receivable	7	25,610	-
Cash and cash equivalents		215,984	21,432
		877,574	21,432
Total assets		156,332,710	155,476,568
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	320,880	320,880
Preference share capital	9	161,416,544	160,139,254
Accumulated losses		(7,177,716)	(6,875,944)
		154,559,708	153,584,190
Current liabilities			
Loans payable	10	1,764,952	1,687,366
Other payables	11	8,050	205,012
		1,773,002	1,892,378
Total equity and liabilities		156,332,710	155,476,568

Approved by the Board of Directors on 31.05.2019 and signed on its behalf by

SPayRamen
Director

Director

The notes on pages 11 to 35 form an integral part of these financial statements.
Independent Auditors' Report on pages 4 to 6.

QUEEN PROJECT (MAURITIUS) LTD

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

	Note	2019	2018
		MUR	MUR
INCOME			
Unrealised exchange gain		107,573	-
EXPENSES			
Administrative expenses		305,102	305,941
Audit fees		70,000	52,588
Bank charges		3,665	9,063
Interest on loan		30,078	99,405
Exchange difference		500	36,549
		409,345	503,546
Loss before taxation		(301,772)	(503,546)
Taxation	12	-	-
Loss for the year		(301,772)	(503,546)
Other comprehensive income		-	-
Total comprehensive loss for the year		(301,772)	(503,546)

The notes on pages 11 to 35 form an integral part of these financial statements.
Independent Auditors' Report on pages 4 to 6.

QUEEN PROJECT (MAURITIUS) LTD

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

	Stated capital	Preference share capital	Accumulated losses	Total
	MUR	MUR	MUR	MUR
At 1 April 2017	320,880	158,409,244	(6,372,398)	152,357,726
Issue of shares	-	1,730,010	-	1,730,010
Total comprehensive loss for the year	-	-	(503,546)	(503,546)
At 31 March 2018	320,880	160,139,254	(6,875,944)	153,584,190
At 1 April 2018	320,880	160,139,254	(6,875,944)	153,584,190
Issue of shares	-	1,277,290	-	1,277,290
Total comprehensive loss for the year	-	-	(301,772)	(301,772)
At 31 March 2019	320,880	161,416,544	(7,177,716)	154,559,708

The notes on pages 11 to 35 form an integral part of these financial statements.
Independent Auditors' Report on pages 4 to 6.

QUEEN PROJECT (MAURITIUS) LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	MUR	MUR
Cash flow from operating activities		
Loss before taxation	(301,772)	(503,546)
Adjustments for:		
Interest expense	30,078	99,405
Exchange loss	-	36,549
Operating loss before working capital changes	(271,694)	(367,592)
Increase in other receivables	(25,610)	-
(Decrease) in other payables	(199,356)	(147,543)
Net cash used in operating activities	(496,660)	(515,135)
Cash flow from investing activities		
Advance to related company	(635,980)	-
Net cash used in investing activities	(635,980)	-
Cash flow from financing activities		
Proceeds from issue of preference shares	1,277,290	1,730,010
Repayment of loan	(1,687,366)	(1,389,578)
Loan advance	1,767,346	-
Interest paid	(30,078)	(99,405)
Net cash generated from financing activities	1,327,192	241,027
Net increase/(decrease) in cash and cash equivalents	194,552	(274,108)
Cash and cash equivalents at beginning of the year	21,432	332,089
Effects of foreign exchange	-	(36,549)
Cash and cash equivalents at end of the year	215,984	21,432
Cash and cash equivalents consist of:		
Cash at bank	215,984	21,432
Bank overdraft	-	-

The notes on pages 11 to 35 form an integral part of these financial statements.
Independent Auditors' Report on pages 4 to 6.

QUEEN PROJECT (MAURITIUS) LTD

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

1. COMPANY PROFILE

Queen Project (Mauritius) Ltd is a private company, limited by shares and incorporated in the Republic of Mauritius on 05th February 2007 under the Mauritius Companies Act 2001.

After the promulgation of the Finance Act 2018, Category 1 Global Business Licence have converted to Global Business Licence, effective from 01 January 2019.

The principal activity of the Company is that of investment holding and its registered office is at C/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Republic of Mauritius.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	01 January 2018	The impact of the standard is material.
• IFRS 15 Revenue from Contracts with Customers	01 January 2018	The impact of the standard is material.
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	01 January 2018	The impact of the standard is not material.
• Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 1: Annual Improvements to IFRS 2014 - 2016 cycle	01 January 2018	The impact of the standard is not material.
• Amendments to IAS 40: Transfers of Investment Property	01 January 2018	The impact of the standard is not material.
• Foreign Currency Transactions and Advance Consideration	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 4: Insurance Contracts	01 January 2018	The impact of the standard is not material.
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018	The impact of the standard is not material.

QUEEN PROJECT (MAURITIUS) LTD

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

2. NEW STANDARDS AND INTERPRETATIONS (Cont'd)

2.2 Standards and interpretations not yet effective

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 01 January 2019 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Long-term Interest in Joint Ventures and Associates – Amendments to IAS 28	01 January 2019	Unlikely there will be a material impact
• Prepayment Features with Negative Compensation – Amendment to IFRS 9	01 January 2019	Unlikely there will be a material impact
• Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015-2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015-2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015-2017 cycle	01 January 2019	Unlikely there will be a material impact
• Uncertainty over Income Tax Treatments	01 January 2019	Unlikely there will be a material impact

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 2001.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in ("MUR"), which is the Company's functional currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Mauritian Rupee ("MUR"), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Mauritian Rupee ("MUR")by applying to the foreign currency amount the exchange rate between the Mauritian Rupee ("MUR")and the foreign currency at the date of the cash flow.

(c) Investment in subsidiary

Subsidiary is all entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Investment in subsidiary is shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit or loss and other comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Consolidated financial statements

The Company owns 100% of the issued share capital of Vanderma Holding Ltd, a company incorporated in Cyprus.

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements which contain financial information of the Company as an individual company and do not contain consolidated financial information as the parent of the Group.

(e) Impairment of assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

(f) Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

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

QUEEN PROJECT (MAURITIUS) LTD

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

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(f) **Financial instruments (Cont'd)**

Financial assets which are debt instruments:

- Amortised cost. This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows.

Financial liabilities:

- Amortised cost.

Note 13 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Other receivables

Classification

Other receivables, excluding, when applicable, prepayments, are classified as financial assets subsequently measured at amortised cost (Note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on other receivables.

Recognition and measurement

Other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Financial instruments (Cont'd)

Other receivables (Cont'd)

Impairment (Cont'd)

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Investments in equity instruments

Classification

Investments in equity instruments are presented in note 9. As an exception to this classification, the Company may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (and accumulated in equity in the reserve for valuation of investments), depending on their classification.

Dividends received on equity investments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in investment income.

Investments denominated in foreign currencies

When an investment in an equity instrument is denominated in a foreign currency, the fair value of the investment is determined in the foreign currency. The fair value is then translated to the US Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss as part of the fair value adjustment for investments which are classified as at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Financial instruments (Cont'd)

Investments in equity instruments (Cont'd)

Investments denominated in foreign currencies (Cont'd)

Foreign exchange gains or losses arising on investments at fair value through other comprehensive income are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of investments.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management

Impairment

Investments in equity instruments are not subject to impairment provisions.

Other payables

Classification

Other payables (Note 11), excluding amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Cash and cash equivalents

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

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

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(f) **Financial instruments (Cont'd)**

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(g) **Financial instruments: IAS 39 comparatives**

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Cash and cash equivalents
- Other payables
- Loan payables

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

A financial asset classified as available-for-sale that would have met the definition of loans and receivables may be reclassified to loans and receivables if the entity has the intention and ability to hold the asset for the foreseeable future or until maturity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments: IAS 39 comparatives (Cont'd)

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets. For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments are recognised at fair value through profit or loss.

Dividend income is recognised in profit or loss as part of other income when the Company's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the Company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(g) Financial instruments: IAS 39 comparatives (Cont'd)

Loans to/(from) group companies

These include loans to and from holding companies which are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loan receivable

These financial assets are classified as loans and receivables.

Other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Other payables

Other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(h) Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income. Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

(i) Stated capital

Ordinary shares are classified as equity.

(j) Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation 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 obligation.

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

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

(j) **Provisions and contingencies (Cont'd)**

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

(k) **Revenue recognition**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the Company's right to receive payment has been established.

(l) **Expense recognition**

All expenses are accounted for in profit or loss on an accrual basis.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(m) Related party transactions

For the purpose of these financial statements, parties are considered to be related to the Company if they have the ability, directly or indirectly, to control the Company or exercise significant influence over the Company in making financial and operating decisions, or vice versa, or where the Company is subject to common control or common significant influence. Related parties may be individual or other entities.

(n) Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there on are dependent on the functional currency selected. As described in Note 3(b) the directors have considered those factors described therein and have determined that the functional currency of the Company is Mauritian Rupee ("MUR").

Recoverability of loan receivables

The Company reviews its loan receivables at each reporting date to assess whether an impairment loss should be recorded in the statement of profit or loss and other comprehensive income. In particular, management judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

4. CHANGES IN ACCOUNTING POLICY

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments

In the current year, the Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) impairment for financial assets and (3) general hedge accounting. Details of these new requirements as well as their impact on the Company's financial statements are described below.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 01 April 2018.

Accordingly, the Company has applied the requirements of IFRS 9 to instruments that have not been derecognised as at 01 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 01 April 2018.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income.

When a debt investment measured at fair value through other comprehensive income is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at fair value through other comprehensive income, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

The directors reviewed and assessed the Company's existing financial assets as at 01 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the Company's financial assets as regards to their classification and measurement:

4. CHANGES IN ACCOUNTING POLICY (Cont'd)

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and loan commitments and financial guarantee contracts to which the impairment requirements of IFRS 9 apply. In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset.

On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit- impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months expected credit losses. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

As at 01 April 2018, the directors reviewed and assessed the Company's existing financial assets, amounts due from customers and financial guarantee contracts for impairment using reasonable and supportable information that was available without undue cost or effort in accordance with the requirements of IFRS 9 to determine the credit risk of the respective items at the date they were initially recognised, and compared that to the credit risk as at 01 April 2018.

The result of the assessment is as follows:

Items existing on 01 April 2018 that are subject to the impairment provisions of IFRS 9:	Credit risk attributes at 01 April 2018
Loan receivable	The Company applies the simplified approach and recognises lifetime credit losses for these assets.
Cash and bank balances	All bank balances are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

4. CHANGES IN ACCOUNTING POLICY (Cont'd)

Impairment of financial assets (Cont'd)

Total additional loss allowance

There is no additional loss allowance charged against the respective asset or provision for financial guarantee, except for the investments at fair value through other comprehensive income, the loss allowance for which is recognised against the reserve in equity. The application of the IFRS 9 impairment requirements has resulted in no additional loss allowance to be recognised in the current year (2018: Nil).

Classification and measurement of financial liabilities

One major change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at fair value through profit or loss attributable to changes in the credit risk of the issuer.

Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

Apart from the above, the application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities.

5. INVESTMENT IN SUBSIDIARY

	2019	2018
	MUR	MUR
At start and at close	155,455,136	155,455,136

Details of investment:

Name of company	Country of incorporation	Type of investment	Number of shares	% Holding	
			2019&2018	2019	2018
Vanderma Holding Ltd	Cyprus	Ordinary	2,000	100%	100%

The above unquoted investment is valued at cost.

The Company has taken advantage of the exemption provided by the Mauritius Companies Act 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements.

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

6. **LOANS RECEIVABLE**	**2019**	**2018**
	MUR	MUR
Loan to Vanderma Holding Ltd	635,980	-

The above loans are interest free, unsecured and receivable within one year.

7. **OTHER RECEIVABLES**	**2019**	**2018**
	MUR	MUR
Prepayments	25,610	-

8. **STATED CAPITAL**	**2019**	**2018**
	MUR	MUR
32,088 shares of MUR 10 each	320,880	320,880

9. **PREFERENCE SHARE CAPITAL**	**2019**	**2018**
	MUR	MUR
At start	160,139,254	158,409,244
Addition	1,277,290	1,730,010
At close	161,416,544	160,139,254

During the year ended 31 March 2019, the Company issued 127,729 of MUR 10 preference shares (2018: 173,001 at MUR 10).

Preference Share shall confer its holder right to preferential right on dividend of minimum 4% per annum of the issue price only as and when any dividend is proposed to be paid on ordinary shares or any other form of distribution as determine by the Board, in its sole discretion, from time to time having consider all relevant factors.

10. **LOANS PAYABLE**	**2019**	**2018**
	MUR	MUR
Quickmill (iv)	1,764,952	-
Vanderma Holding Ltd (i)	-	1,290,663
Vanderma Holding Ltd (ii)	-	115,045
AESA Air Engineering (iii)	-	281,658
	1,764,952	1,687,366

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

10. LOANS PAYABLE (Cont'd)

(i) The loan is unsecured, bears interest of 4.5% per annum and repaid during the year under review.

(ii) The loan is repaid during the year under review.

(iii) The loan is repaid during the year under review

(iv) The loan is unsecured, interest free and repayable within one year.

11. OTHER PAYABLES

	2019	2018
	MUR	MUR
Accruals	5,656	117,915
Interest payable	2,394	87,097
	8,050	205,012

12. TAXATION

The Company is liable to pay tax in Mauritius at the rate of 15%. The effective tax rate after foreign tax credit would be at most 3% of gross foreign source income. Foreign tax credit is the higher of:

(a) deemed foreign tax credit of 80% of Mauritius tax charge, and

(b) withholding tax suffered on foreign source income. In addition to the withholding tax credit, in the case of dividend income, tax credit is available for any foreign tax imposed on the profits out of which that dividend income was directly and indirectly received.

Capital gains of the Company are exempt from tax in Mauritius.

Tax reconciliation

The tax charge based on the Company's profit before tax differs from the theoretical amount that would arise using the basis tax of the Company owing to the following:

	2019	2018
	MUR	MUR
Loss before taxation	(301,772)	(503,546)
Add non allowable expenses	-	-
Less exempt income	-	-
	(301,772)	(503,546)
Less tax loss brought forward	(2,068,738)	(2,713,432)
Tax loss freezed	-	1,148,240
Tax loss carried forward	(2,370,510)	(2,068,738)

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

12. TAXATION (Cont'd)

Availability of tax loss for use against future taxable profit

	2019	2018
	MUR	MUR
Year of assessment		
Tax losses carried forward for the year	(301,772)	(503,546)
Tax losses carried forward for next 5 years	(503,546)	(539,586)
Tax losses carried forward for next 4 years	(539,586)	(137,968)
Tax losses carried forward for next 3 years	(137,968)	(887,638)
Tax losses carried forward for next 2 years	(887,638)	-
	(2,370,510)	(2,068,738)

13. FINANCIAL INSTRUMENTS

Categories of financial instruments

Categories of financial assets

2019	Amortised cost	Total
	MUR	MUR
Loan receivable	635,980	635,980
Other receivable	25,610	25,610
Cash and cash equivalents	215,984	215,984
	877,574	877,574

2018	Amortised cost	Total
	MUR	MUR
Cash and cash equivalents	21,432	21,432
	21,432	21,432

Categories of financial liabilities

2019	Amortised cost	Total
	MUR	MUR
Loans payable	1,764,952	1,764,952
Other payables	8,050	8,050
	1,773,002	1,773,002

13. **FINANCIAL INSTRUMENTS (Cont'd)**

Categories of financial instruments (Cont'd)

Categories of financial liabilities (Cont'd)

2018	**Amortised cost**	**Total**
	MUR	MUR
Loans payable	1,687,366	1,687,366
Other payables	205,012	205,012
	1,892,378	1,892,378

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports quarterly to the board of directors on its activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk on trade and other receivables and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Company only deals with reputable counterparties with consistent payment histories.

The maximum exposure to credit risk is presented in the table below:

	2019			**2018**		
	Gross carrying amount	Credit loss allowance	Amortised Cost	Gross carrying amount	Credit loss allowance	Amortised Cost
	MUR	MUR	MUR	MUR	MUR	MUR
Loan receivable	635,980	-	635,980	-	-	-
Cash and cash equivalents	215,984	-	215,984	21,432	-	21,432
	851,964	-	851,964	21,432	-	21,432

13. FINANCIAL INSTRUMENTS (Cont'd)

Overview (Cont'd)

Credit risk (Cont'd)

Amounts are presented at amortised cost depending on the accounting treatment of the item presented.

Liquidity risk

The Company is exposed to liquidity risk, which is the risk that the Company will encounter difficulties in meeting its obligations as they become due. The Company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings.

Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table.

The cash flows are undiscounted contractual amounts.

2019	**Less than 1 year**	**Over 1 year**	**Total**
	MUR	MUR	MUR
Current liabilities			
Loans payable	-	1,764,952	1,764,952
Other payables	8,050	-	8,050
	8,050	1,764,952	1,773,002

2018	**Less than 1 year**	**Over 1 year**	**Total**
	MUR	MUR	MUR
Current liabilities			
Loans payable	-	1,687,366	1,687,366
Other payables	205,012	-	205,012
	205,012	1,687,366	1,892,378

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. At the year end, the Company had no significant concentration of market risks which had been adequately provided for.

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

13. **FINANCIAL INSTRUMENTS (Cont'd)**

Foreign currency risk

The Company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the Company deals primarily are EUR and MUR.

The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in MUR

The net carrying amounts, in MUR, of the various exposures, are denominated in the following currencies. The amounts have been presented in EUR by converting the foreign currency amounts at the closing rate at the reporting date:

MUR exposure:	**2019**	**2018**
	MUR	MUR
Current liability:		
Other payables	(8,050)	(117,915)
Loan payable	(1,764,952)	-
Net MUR exposure	(1,773,002)	(117,915)

EUR exposure:	**2019**	**2018**
	MUR	MUR
Current asset:		
Cash and cash equivalents	215,984	21,432
Current liabilities:		
Loans payable	-	(281,658)
Other payables	-	(73,572)
Net EUR exposure	215,984	(333,798)

Exchange rates

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Company's increase or decrease in the respective currencies it is exposed to.

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

13. **FINANCIAL INSTRUMENTS (Cont'd)**

Foreign currency risk (Cont'd)

Exchange rates (Cont'd)

Foreign currency sensitivity analysis (Cont'd)

The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date.

No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2019		2018	
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Impact on profit or loss:				
EUR 1% (2018: 1%)	-	-	3,338	(3,338)

Capital risk management

The Company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

- to provide an adequate return to shareholders by pricing services commensurately with the level of risk.

The Company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity.

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

13. FINANCIAL INSTRUMENTS (Cont'd)

Capital risk management (Cont'd)

The debt-to-capital ratios at 31 March 2019 and 31 March 2018 were as follows:

	2019	**2018**
	MUR	MUR
Total borrowings	1,764,952	1,687,366
Less: Cash and cash equivalents	(215,984)	(21,432)
Net debt	1,548,968	1,665,934
Total equity	154,559,708	153,584,190
Debt-to-equity ratio	0.010:1	0.011:1

The decrease in the debt-to-equity ratio during 2019 resulted primarily from the reduction in net debt.

14. RELATED PARTY TRANSACTIONS

Relationship	**Name**
Related company	Quickmill
Subsidiary	Vanderma Holding Ltd

Related party balances	**2019**	**2018**
	MUR	MUR
Investment		
Vanderma Holding Ltd	155,455,136	155,455,136
Loan accounts - Owing from related company		
Quickmill	1,764,952	-
Interest payable		-
Quickmill	2,394	

Related party transactions

Loan accounts - Owing to subsidiary		
Vanderma Holding Ltd	635,980	-

15. CONTINGENT LIABILITIES

At 31 March 2019, the Company has no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

16. EVENTS AFTER THE REPORTING DATE

There have been no material events after reporting date, which would require disclosure or adjustment to the 31 March 2019 financial statements.

17. HOLDING AND ULTIMATE HOLDING COMPANY

The directors consider Batliboi Limited, a company incorporated in India, as the Company's holding and ultimate holding company.

18. REPORTING CURRENCY

The financial statements are presented in Mauritian Rupee ("MUR").