

QUEEN PROJECT (MAURITIUS) LTD
Financial statements
for the year ended 31 March 2020

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

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QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Corporate Information

Directors	Mr Kaushik Kantilal Shah	Date appointed
	Mr Sevin Chendriah	08 May 2009
	Mrs Savinilorna Payandi-Pillay-Ramen	19 February 2016
		11 May 2018

Corporate Secretary: IQ EQ Corporate Services (Mauritius) Ltd
33, Edith Cavell Street
Port Louis, 11324
REPUBLIC OF MAURITIUS

Registered Office: C/o IQ EQ 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
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

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

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 2020.

1. Principal activity

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

2. 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 (2019: Nil).

3. Directors

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

4. Going concern

The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Company.

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 shareholder.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

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 2020.

IQ EQ Corporate Services (Mauritius) Ltd
Corporate Secretary

Date:

Independent Auditor's Report

QUEEN PROJECT (MAURITIUS) LTD

To the shareholders of QUEEN PROJECT (MAURITIUS) LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Queen Project (Mauritius) Ltd, (the "Company"), which comprise the statement of financial position at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements on pages 8 to 25 give a true and fair view of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of 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.

Emphasis of matter

The consolidated financial statements of Batliboi Ltd, which is the ultimate parent entity based in India, are prepared in accordance with Indian GAAP and are available for public use.

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 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 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 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 Auditor's Report

QUEEN PROJECT (MAURITIUS) LTD

Responsibilities of the Directors for the Financial Statements (Continued)

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Independent Auditor's Report

QUEEN PROJECT (MAURITIUS) LTD

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 auditor;
- 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 shareholders, 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 shareholders 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Morison (Mauritius)
Chartered Certified Accountants

Pudmanee R Beeharry, FCCA
(Licensed by FRC)
Signing Partner

Date

Port Louis
REPUBLIC OF MAURITIUS

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Statement of Financial Position

	Notes	2020 MUR	2019 MUR
Assets			
Non-current asset			
Investment in subsidiary	3	<u>155,455,136</u>	<u>155,455,136</u>
Current assets			
Loan receivable	4	672,447	635,980
Other receivable	5	-	25,610
Cash and cash equivalents		<u>274,640</u>	<u>215,984</u>
		<u>947,087</u>	<u>877,574</u>
Total Assets		<u>156,402,223</u>	<u>156,332,710</u>
Equity and Liabilities			
Equity			
Stated capital	6	320,880	320,880
Preference share capital	7	161,416,544	161,416,544
Accumulated losses		<u>(7,671,234)</u>	<u>(7,177,716)</u>
		<u>154,066,190</u>	<u>154,559,708</u>
Liability			
Current Liabilities			
Loan payable	8	2,161,784	1,764,952
Other payables	9	<u>174,249</u>	<u>8,050</u>
		<u>2,336,033</u>	<u>1,773,002</u>
Total Equity and Liabilities		<u>156,402,223</u>	<u>156,332,710</u>

Approved by the Board of Directors on _____ and were signed on its behalf by:

Director

Director

The accounting policies on pages 12 to 18 and the notes on pages 19 to 25 form an integral part of the financial statements.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Statement of Profit or Loss and Other Comprehensive Income

	Note	2020 MUR	2019 MUR
INCOME			
Foreign exchange gain		-	107,573
EXPENSES			
Administrative expenses		243,983	305,102
Audit fees		76,287	70,000
Bank charges		1,049	3,665
Interest expense		7,496	30,078
Tax filing		21,933	-
Foreign exchange loss		142,770	500
		<u>493,518</u>	<u>409,345</u>
Loss before taxation		(493,518)	(301,772)
Taxation	10	-	-
Loss for the year		(493,518)	(301,772)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(493,518)</u>	<u>(301,772)</u>

The accounting policies on pages 12 to 18 and the notes on pages 19 to 25 form an integral part of the financial statements.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Statement of Changes in Equity

	Stated capital MUR	Preference share capital MUR	Accumulated losses MUR	Total equity MUR
Balance at 01 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)
Balance at 31 March 2019	320,880	161,416,544	(7,177,716)	154,559,708
Balance at 01 April 2019	320,880	161,416,544	(7,177,716)	154,559,708
Total comprehensive loss for the year	-	-	(493,518)	(493,518)
Balance at 31 March 2020	320,880	161,416,544	(7,671,234)	154,066,190

The accounting policies on pages 12 to 18 and the notes on pages 19 to 25 form an integral part of the financial statements.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Statement of Cash Flows

	2020 MUR	2019 MUR
Cash flows from operating activities		
Loss before taxation	(493,518)	(301,772)
Interest expense	7,496	30,078
Adjustments for:		
Decrease/(increase) in other receivables	25,610	(25,610)
Increase/(decrease) in other payables	166,199	(199,356)
	191,809	(224,966)
Net cash used in operating activities	<u>(294,213)</u>	<u>(496,660)</u>
Cash flow from investing activities		
Advance to related company	(36,467)	(635,980)
Net cash used in investing activities	<u>(36,467)</u>	<u>(635,980)</u>
Cash flow from financing activities		
Proceeds from issue of preference shares	-	1,277,290
Repayment of loan	-	(1,687,366)
Loan advance	396,832	1,767,346
Interest paid	(7,496)	(30,078)
Net cash generated from financing activities	<u>389,336</u>	<u>1,327,192</u>
Net increase in cash and cash equivalents	58,656	194,552
Cash at beginning of the year	215,984	21,432
Cash and cash equivalents at end of the year	<u>274,640</u>	<u>215,984</u>
Cash and cash equivalents consist of:		
Cash at bank	<u>274,640</u>	<u>215,984</u>

The accounting policies on pages 12 to 18 and the notes on pages 19 to 25 form an integral part of the financial statements.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

Company profile

Queen Project (Mauritius) Ltd is a private company, limited by shares and incorporated in the Republic of Mauritius on 02nd February 2007 under the Mauritius Companies Act 2001.

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.

1. Significant accounting policies

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

1.1 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 Mauritian Rupee ("MUR"), which is the Company's functional currency.

1.2 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 date:

- 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 date 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 by applying to the foreign currency amount the exchange rate between the Mauritian Rupee and the foreign currency at the date of the cash flow.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.3 Investment in subsidiary

Subsidiary is an 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.

1.4 Consolidation financial statements

The Company which owns 100% of the share capital of Vanderma Holding Ltd, a company incorporated in Cyprus, has taken advantage of IFRS 10, Consolidated Financial Statements' which dispenses it from the need to present Consolidated Financial Statements'. Batliboi Ltd is the ultimate parent entity which is based in India. Batliboi Ltd prepares consolidated financial statements that are available for public use and comply with IFRS.

1.5 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. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.6 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 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.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.6 Financial instruments (Continued)

Note 11 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 receivable

Classification

Other receivable, excluding, when applicable, prepayments, are classified as financial assets subsequently measured at amortised cost.

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 receivable 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 receivable, excluding prepayments. The amount of expected credit losses is updated at each reporting date.

The Company measures the loss allowance for other receivable 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.

Other payables

Classification

Other payables 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.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.6 Financial instruments (Continued)

Other payables (Continued)

Recognition and measurement (Continued)

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 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.

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.

1.7 Tax

Current tax assets and liabilities

Current tax is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as an asset. Current tax liabilities (assets) for the current and prior years 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.

Tax expenses

Current 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.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.7 Tax (Continued)

Tax expenses (Continued)

Current tax 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 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.

1.8 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.

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.

1.9 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.

1.10 Expense recognition

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

1.11 Stated capital

Ordinary shares and Preference shares are classified as equity.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

1.12 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.

1.13 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 1.2 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.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Accounting Policies

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:
• Lease – IFRS 16	01 January 2019	The impact of the standard is not material.
• Interpretation 23 – Uncertainty over income tax treatments	01 January 2019	The impact of the standard is not material.
• Annual improvement to IFRS Standard 2015 – 2017 cycle IAS 12 – Income taxes	01 January 2019	The impact of the standard is not material.

2.2 Standards and interpretations not yet effective

There are certain standards and interpretations which apply for the first time to financial reporting periods commencing on or after 01 January 2020. These relevant standards and interpretations are being evaluated by management as to their impact on the financial statements.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Definition of Material – Amendments to IAS 1 and IAS 8	01 January 2020	The impact of the standard is not material.
• Revised conceptual Framework for financial reporting	01 January 2020	The impact of the standard is not material.

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

	2020 MUR	2019 MUR
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3. Investment in subsidiary

At end	<u>155,455,136</u>	<u>155,455,136</u>
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Details of investment:

Name of company	Country of incorporation	Type of shares	No of shares 2020&2019	% Holding 2020&2019	Amount 2020&2019
Vanderma Holding Ltd	Cyprus	Ordinary	2,000	100%	<u>155,455,136</u>

The above unquoted investment is valued at cost.

4. Loan receivable

Loan to Vanderma Holding Ltd	<u>672,447</u>	<u>635,980</u>
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The above loan is interest free, unsecured and receivable within one year.

5. Other receivable

Prepayments	<u>-</u>	<u>25,610</u>
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6. Stated capital

32,088 shares of MUR 10 each	<u>320,880</u>	<u>320,880</u>
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7. Preference share capital

At start	161,416,544	160,139,254
Addition	-	1,277,290
At end	<u>161,416,544</u>	<u>161,416,544</u>

During the year ended 31 March 2020, there has been no issue of preference share capital (2019: 127,729 at MUR 10 each).

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.

8. Loan payable

Quickmill	<u>2,161,784</u>	<u>1,764,952</u>
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The above loan is unsecured, payable within one year and bears interest at 6% p.a.

9. Other payables

Accruals	166,431	5,656
Interest payable	7,818	2,394
	<u>174,249</u>	<u>8,050</u>

QUEEN PROJECT (MAURITIUS) LTD

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	2020	2019
	MUR	MUR

10. Taxation

The Company is liable to pay tax in Mauritius at the rate of 15%.

Loss before taxation	(493,518)	(301,772)
Less tax loss brought forward	(2,370,510)	(2,068,738)
Tax loss freed	887,638	-
Tax loss carried forward	<u>(1,976,390)</u>	<u>(2,370,510)</u>

Availability of tax losses for use against taxable profit

Year of assessment

Tax losses carried forward for next 5 years	(493,518)	(301,772)
Tax losses carried forward for next 4 years	(301,772)	(503,546)
Tax losses carried forward for next 3 years	(503,546)	(539,586)
Tax losses carried forward for next 2 years	(539,586)	(137,968)
Tax losses carried forward for the year	(137,968)	(887,638)
	<u>(1,976,390)</u>	<u>(2,370,510)</u>

11. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2020	Amortised cost	Total
Loan receivable	672,447	672,447
Cash and cash equivalents	274,640	274,640
	<u>947,087</u>	<u>947,087</u>

2019	Amortised cost	Total
Loan receivable	635,980	635,980
Cash and cash equivalents	215,984	215,984
	<u>851,964</u>	<u>851,964</u>

Categories of financial liabilities

2020	Amortised cost	Total
Loan payable	2,161,784	2,161,784
Other payables	174,249	174,249
	<u>2,336,033</u>	<u>2,336,033</u>

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Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

11. Financial instruments and risk management (Continued)

Categories of financial instruments (Continued)

Categories of financial liabilities (Continued)

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

Overview

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

- Credit risk and
- Liquidity risk.

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 loan 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:

	2020			2019		
	Gross carrying amount	Credit loss allowance	Amortised Cost	Gross carrying amount	Credit loss allowance	Amortised Cost
	MUR	MUR	MUR	MUR	MUR	MUR
Loan receivable	672,447	-	672,447	635,980	-	635,980
Cash and cash equivalents	274,640	-	274,640	215,984	-	215,984
	947,087	-	947,087	851,964	-	851,964

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

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

	2020	2019
	MUR	MUR

11. Financial instruments and risk management (Continued)

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 recognised 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.

2020	Less than 1 year MUR	Over 1 year MUR	Total MUR
Current liabilities			
Loan payable	2,161,784	-	2,161,784
Other payables	174,249	-	174,249
	2,336,033	-	2,336,033
2019	Less than 1 year MUR	Over 1 year MUR	Total MUR
Current liabilities			
Loan payable	1,764,952	-	1,764,952
Other payables	8,050	-	8,050
	1,773,002	-	1,773,002

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.

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 Euro (EUR), Canadian Dollar (CAD) and Mauritian Rupee (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 year.

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	2020	2019
	MUR	MUR

11. Financial instruments and risk management (Continued)

Foreign currency risk (Continued)

Exposure in MUR, EUR and CAD

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

MUR exposure:

Current liability:

Other payables	(174,249)	(8,050)
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Net MUR exposure

<u>(174,249)</u>	<u>(8,050)</u>
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EUR exposure:

Current asset:

Cash and cash equivalents	274,640	215,984
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Net EUR exposure

<u>274,640</u>	<u>215,984</u>
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CAD exposure:

Current asset:

Loan receivable	672,447	635,980
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Current liability:

Loan payable	(2,161,784)	(1,764,952)
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Net CAD exposure

<u>(1,489,337)</u>	<u>(1,128,972)</u>
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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.

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 year.

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	2020	2019
	MUR	MUR

11. Financial instruments and risk management (Continued)

Foreign currency sensitivity analysis (Continued)

	MUR/EUR		MUR/CAD	
Rate	2020	2019	2020	2019
Before sensitivity analysis	42.1756	37.7652	27.0223	25.2136
Increase 1%	42.5974	38.1429	27.2925	25.4657
Amount				
Before sensitivity analysis	274,640	215,984	(1,489,337)	(1,128,972)
Effect of 1% increase	277,386	218,144	(1,504,230)	(1,140,262)

Capital risk management

The Company's objective when managing capital (which includes stated 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 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.

The debt-to-capital ratios at 31 March 2020 and 31 March 2019 were as follows:

Total borrowings	2,161,784	1,764,952
Less: Cash and cash equivalents	(274,640)	(215,984)
Net debt	1,887,144	1,548,968
Total equity	154,066,190	154,559,708
Debt-to-equity ratio	0.012:1	0.010:1

The decrease in the debt-to-equity ratio during 2020 resulted primarily from the reduction in net debt.

12. Related parties

Relationships

Name

Related company
Subsidiary

Quickmill Inc
Vanderma Holding Ltd

QUEEN PROJECT (MAURITIUS) LTD

Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

	2020 MUR	2019 MUR
12. Related parties (Continued)		
Related party balances		
Loan accounts - Owing to related company		
Quickmill Inc	<u>(2,161,784)</u>	<u>(1,764,952)</u>
Interest payable		
Quickmill Inc	<u>(7,818)</u>	<u>(2,394)</u>
Loan accounts - Owing from subsidiary		
Vanderma Holding Ltd	<u>672,447</u>	<u>635,980</u>

13. Commitments

The Company has no material commitments at 31 March 2020.

14. Contingencies

At 31 March 2020, 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.

15. Events after reporting date

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

There have been no material events after the reporting date, which would require disclosure or adjustment to the 31 March 2020 financial statements.

16. Reporting currency

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

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.