UPET HOLDINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

UPET HOLDINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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CORPORATE INFORMATION
FOR THE YEAR ENDED 31 MARCH 2019

		Date appointed	*Date resigned*
DIRECTORS:	Mr Sandeep Fakun	23-Jul-10	-
	Mr Praveen Beeharry	12-Aug-11	-
	Mr. Srikanta Kumar Biswal	08-Sep-17	-

ADMINISTRATOR & SECRETARY:

As from 25 March 2019
IQ EQ Corporate Services (Mauritius) Ltd
33 Edith Cavell Street
Port Louis, 11324
Republic of Mauritius

Upto 24 March 2019
SGG Corporate Services (Mauritius) Ltd
Les Cascades Building
Edith Cavell Street, Port Louis
Republic of Mauritius

REGISTERED OFFICE:
C/o IQ EQ Corporate Services (Mauritius) Ltd
Les Cascades Building
Edith Cavell Street, Port Louis
Republic of Mauritius

BANK:
Bank Of Baroda
Offshore Banking Unit
Port Louis
Republic of Mauritius

AUDITORS:
McMillan Woods
Accountants and Business Advisers
Level 4, Sharon House
Sir William Newton Street, Port-Louis
Republic of Mauritius

UPET HOLDINGS LIMITED
COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019

The directors present the audited financial statements of **UPET HOLDINGS LIMITED** (the "Company") for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holdings.

RESULTS

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

DIRECTORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements. The directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category I Global Business Licence, as described in note 2(a) to the financial statements, 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.

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

AUDITORS

The auditors, McMillan Woods, have indicated their willingness to continue in office.

IQEQ

Know how Know you

UPET HOLDINGS LIMITED
CERTIFICATE FROM THE SECRETARY
FOR THE YEAR ENDED 31 MARCH 2019

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **UPET HOLDINGS LIMITED** under Section 166 (d) of the Companies Act 2001 during the financial year ended 31 March 2019.

For **IQ EQ Corporate Services (Mauritius) Ltd**
Company secretary

CORPORATE SECRETARY
Les Cascades Building
Edith Cavell Street, Port Louis
Republic of Mauritius

Date: 21 MAY 2019

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF UPET HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **UPET HOLDINGS LIMITED** (the 'Company') set out on pages 8 to 26 which comprise the statement of financial position as at March 31, 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other 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.

Key Audit Matter

We have determined that there is no key audit matter to communicate in our report.

Other Matter

This report is made solely to the members of **UPET HOLDINGS LIMITED** as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF UPET HOLDINGS LIMITED (CONTINUED)

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 IFRSs, and in compliance with the requirements of the Companies Act 2001. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has 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 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 guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF UPET HOLDINGS LIMITED (CONTINUED)

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

- Conclude on the appropriateness of the director's 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.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activity to express an opinion on the financial statements.

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

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

McMillan Woods

McMillan Woods
4th Floor, Sharon House
Sir William Newton Street
Port Louis

Date: 2 1 MAY 2019

Shareef Ramjan FCCA
Licenced by FRC

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

	Note	2019	2018
		USD	USD
Income			
Interest income		93	65
Expenses			
Management fees		5,300	4,000
Accounting fees		3,100	4,200
License fees		2,218	2,015
Audit fees		1,150	1,210
Administration fees		500	1,550
Bank charges		320	215
Other expenses		100	200
Total expenses		(12,688)	(13,390)
Loss before taxation		(12,595)	(13,325)
Taxation	7	-	-
Loss for the year		(12,595)	(13,325)
Other comprehensive income		-	-
Total comprehensive loss for the year		(12,595)	(13,325)

The notes on pages 12 to 26 form an integral part of these financial statements.
Auditors' report on page 5, 6 and 7.

UPET HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019	2018
		USD	USD
ASSETS			
Non-current asset			
Investments in subsidiary	8	**38,181,821**	38,181,821
Total non-current assets		**38,181,821**	38,181,821
Current assets			
Other receivables	9	**3,569**	2,662
Cash and cash equivalents	10	**70,312**	81,414
Total current assets		**73,881**	84,076
Total assets		**38,255,702**	38,265,897
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	11	**38,400,001**	38,400,001
Revenue deficit		**(156,724)**	(144,129)
Total equity		**38,243,277**	38,255,872
Current liabilities			
Other payables	12	**12,425**	10,025
Total equity and liabilities		**38,255,702**	38,265,897

These financial statements have been approved for issue by the Board of Directors on 21 MAY 2019 and signed by:

Director **Director**

The notes on pages 12 to 26 form an integral part of these financial statements.
Auditors' report on page 5, 6 and 7.

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

	Stated capital USD	Revenue deficit USD	Total USD
Year ended 31 March 2019			
At 1 April 2018	**38,400,001**	**(144,129)**	**38,255,872**
Total comprehensive loss for the year	**-**	**(12,595)**	**(12,595)**
At 31 March 2019	**38,400,001**	**(156,724)**	**38,243,277**
Year ended 31 March 2018			
At 1 April 2017	38,400,001	(130,804)	38,269,197
Total comprehensive loss for the year	-	(13,325)	(13,325)
At 31 March 2018	38,400,001	(144,129)	38,255,872

The notes on pages 12 to 26 form an integral part of these financial statements.
Auditors' report on page 5, 6 and 7.

UPET HOLDINGS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019	2018
		USD	USD
Cash flows from operating activities			
Loss before taxation		(12,595)	(13,325)
Changes in working capital			
Increase in other receivables		(907)	(2,025)
Increase in other payables		2,400	2,875
Net cash generated from operating activities		1,493	850
Net decrease in cash and cash equivalents		(11,102)	(12,475)
Cash and cash equivalents at beginning of the year		81,414	93,889
Cash and cash equivalents at end of the year	10	70,312	81,414

The notes on pages 12 to 26 form an integral part of these financial statements.
Auditors' report on page 5, 6 and 7.

1. GENERAL

UPET HOLDINGS LIMITED (the "Company") was incorporated in Mauritius on 10th April 2008 as a private company with liability limited by shares. The Company's registered office is at IQ EQ Corporate Services (Mauritius) Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius. The principal activity of the Company is investments holdings.

The Company is the holder of a Category 1 Global Business Licence under the Companies Act and the Financial Services Act 2007 is required to carry on its business in a currency other than the Mauritian Rupee. Since the Company operates in an international environment and conducts most of its transactions in foreign currencies, the Company has chosen to retain the US Dollar ('USD') as its reporting currency.

2. BASIS OF PREPARATION

(a) Basis of preparation of the financial statements

The Company is the holder of a Category 1 Global Business Licence and has one subsidiary. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary and, in accordance with Section 211 of the Mauritius Companies Act, Content and form of financial statements, these financial statements present fairly the financial position, financial performance and cash flow of the Company. The basis of preparation of these financial statements complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), except for accounting for acquisitions of interests in Joint Operations (IFRS 11) and Equity Method in Separate Financial Statements (IAS 27).

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis, except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

(c) Functional and presentation currency

The Company's financial statements are presented in (USD), United States Dollar which is the Company's functional currency and presentation currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results may differ from these estimates. 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.

The impairment loss on investment in subsidiary which is estimated to be USD nil was calculated on the net asset value of the subsidiary.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Expense recognition

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

Investment in subsidiary

Investment in subsidiary is carried at cost. The carrying amount is reduced to recognize any impairment in the value of individual investment. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss.

A subsidiary is an entity in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

Consolidated financial statements

IFRS 10 requires a parent entity to present consolidated financial statements. However, paragraph 4 of IFRS 10 provides an exemption that a parent need not present consolidated financial statements if the entity meets the criteria in paragraph 4(a) of IFRS 10. One of the criteria is "its ultimate or any intermediate parent produces consolidated financial statements that are available for public use and comply with IFRS".

The Company owns more than 50% of the issued share capital of its subsidiaries which is considered to be subsidiaries undertakings. The Company has taken advantage of the exemption provided by the Mauritian Companies Act 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, as explained in note 2. These financial statements are the Company's unconsolidated financial statements.

Foreign currencies

The financial statements are presented in USD which is also the currency of the primary economic environment in which the Company operates ("functional currency").

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of provision is recognised in statement of profit or loss and other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Stated capital

Stated capital are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from proceeds.

Other payables

Other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax

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

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

Provisions

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

Financial instruments

(i) Classification - Policy effective from 1 January 2018 (IFRS 9)
In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

It is acquired or incurred principally for the purpose of selling or repurchasing It in the near term or

On initial recognition, It is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking or

It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

The entity's business model for managing the financial assets
The contractual cash flow characteristics of the financial assets

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including other short term receivables.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVPL).
A financial liability is measured at FVPL if it meets the definition of held for trading. The Company does not have any financial liabilities included in this category.

Financial liabilities measured at amortised cost
This category includes all financial liabilities, other than those classified as at fair value through profit or loss. The Company includes in this category other short-term payables.

(ii) Classification - Policy effective before 1 January 2018 (IAS 39)
The Company classifies its financial assets and financial liabilities into the following categories in accordance with IAS 39.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company includes in this category amounts relating to other short-term receivables.

The Company includes in this category amounts relating to other short-term payables.

(iii) Recognition

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

(iv) Initial measurement

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(v) Subsequent measurement

Financial assets and liabilities at FVPL

After initial measurement, the Company measures financial instruments which are classified as at FVPL. Subsequent changes in the fair value of those financial instruments are recorded in 'Net gain or loss on financial assets at FVPL'. Dividend revenue elements of such instruments is recorded in 'Dividend revenue'

Debt instruments, other than those classified as at FVPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at FVPL, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

(vi) Derecognition

Financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

(vii) Impairment of financial assets

Policy effective from 1 January 2018 (IFRS 9)

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Policy effective before 1 January 2018 (IAS 39)

The Company assesses at each reporting date whether a financial asset or group of financial assets classified as trade receivables is impaired. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. 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.

Related parties

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

4. **Application of new and revised International Financial Reporting Standards (IFRSs)**

The Company applied IFRS 9 and IFRS 15 for the first time. The nature and the impact of each new standard and amendment is described below:

IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments on its effective date of 1 January 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement and introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is not applicable to items that have already been derecognised at 1 January 2018, the date of initial application.

(a) Classification and Measurement

The Company has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment, all financial assets previously held at fair value continue to be measured at fair value.

Financial assets previously classified as loans and receivables are recorded at their original invoice amounts less any provision. The fair value of these receivables are same as transaction price as all these are receivables from group undertakings and SPV's and payable

The classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Given the limited exposure of the Company to credit risk, this amendment has not had a material impact on the financial statements. The Company has other receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted an approach similar to the simplified approach to ECLs. The intercompany receivables and payables are from group undertakings which are interest free and are payable on demand.

(c) Hedge accounting

The Company has not applied hedge accounting under IFRS 9 nor will it apply hedge accounting under IFRS 9.

(d) Impact of adoption of IFRS 9

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on 1 January 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2017 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 January 2018:

4. Application of new and revised International Financial Reporting Standards (IFRSs)

IFRS 9 Financial Instruments (Continued)

(d) Impact of adoption of IFRS 9 (continued)

Financial assets

01 January 2019	IAS39 classification	IAS 39 measurement	IFRS 9 classification	IFRS 9 measurement
Other receivables	Loans and receivables	3,569	Amortised cost	3,569
Cash and cash equivalents	Loans and receivables	70,312	Amortised cost	70,312

Financial liabilities

01 January 2019	IAS39 classification	IAS 39 measurement	IFRS 9 classification	IFRS 9 measurement
Other payables	Other financial liabilities	12,425	Amortised cost	12,425

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories.

In addition, the application of the ECL mode under IFRS 9 has not changed the carrying amounts of the Company's amortised cost financial assets. No ECL allowance has been recorded against the Company's receivable balances (2018: No impairment recorded under IAS 39).

The carrying amounts of amortised cost instruments continued to approximate these instruments' fair values on the date of transition after transitioning to IFRS 9.

New and Revised IFRS issued but not yet effective

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

	Effective for accounting period beginning on or after
<u>New or revised standards</u>	
IFRS 16 Leases	01 January 2019
IFRS 17 Insurance Contracts	01 January 2021
IFRIC interpretation 23 Uncertainty over Income Tax Treatments	01 January 2019
Prepayment Features with Negative Compensation - Amendments to IFRS 9	01 January 2019
Long-term Interests in Associates and Joint Ventures - Amendments to IAS 28	01 January 2019

Management does not expect major impact from the adoption of these new or amended standards and interpretations on the Company's financial statements.

No early adoption is intended by the Board of directors.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the United States Dollar (USD).

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In its ordinary operations, the Company is exposed to various financial risks. Details of those risks are set out below:

Financial risk factors

The Company's activities expose to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market risk

Interest rate risk

The Company's income and operating cash flows are to a large extent independent of changes in market interest rates. The Company's interest earning financial assets include cash and cash equivalents. Interest income on cash at bank may fluctuate in amount, in particular due to changes in market interest rates. The amount involved is considered to be insignificant and no sensitivity analysis has been done.

Currency risk

The Company does not transacts in financial assets and liabilities denominated in foreign currencies. Consequently, the Company is not exposed to the risks of foreign exchange rates which may have a material effect on the value of the Company's assets and liabilities denominated in its reporting currency.

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk concentration is its deposit on investment and cash and cash equivalents.

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The financial assets are neither past due nor impaired at the reporting date.

The cash and cash equivalents are maintained with a reputable bank.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of related party loans. However liquidity risk, if any, is managed through the financial support of the shareholders.

At the year end, the directors did not consider there to be any significant liquidity risk.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March based on contractual undiscounted payments:

	Within 1 year	Total	Within 1 year	Total
	2019	2019	2018	2018
	USD	USD	USD	USD
Other payables	12,425	12,425	10,025	10,025

Fair values of financial instruments

Except where otherwise stated, the fair values of the Company's financial assets and liabilities approximate their carrying amounts.

6.2 Capital risk management

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. The Company's capital stucture is regularly reviewed and managed with due regard to the capital manangement practices of the Company. Adjustments are made to the capital stucture in light of changes in economic conditions affecting the Company, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of local regulation.

6.3 Fair value measurement hierarchy

Fair value measurements of financial instruments can be grouped into level 1 to 3 based on the degree to which the fair value is observable, namely:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset that are not based on observable market data.

7. TAXATION

Under current laws and regulations, the Company is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income tax thus reducing its maximum effective tax rate to 3%.

In the absence of a permanent establishment in India, the Company should not be subject to capital gains tax in India on the sale or redemption of securities.

For the year under review, the Company had cumulative tax losses carried forward of USD 65,233 (2018: USD 63,783) which can be carried forward to offset against taxable income.

A numerical reconciliation of the expected tax with the actual tax charge is presented below:

	2019	2018
	USD	USD
Loss for the year	(12,595)	(13,325)
Tax at statutory rate	(1,889)	(1,999)
Effect of deemed tax credit	1,511	1,599
Tax losses for which no deferred tax asset was recognised	378	400
Tax charge	-	-

8. INVESTMENTS IN SUBSIDIARY- AT COST

	2019	2018
	USD	USD
UNQUOTED-UPET (SINGAPORE) PTE LTD		
At 31 March	38,181,821	38,181,821

The Company has taken advantage of paragraph 4 of IFRS 10 provides an exemption that a parent need not present consolidated financial statments if the entity meets the criteria in paragraph 4 (a) of IFRS 10. Uflex Limited is the Holding Company and is incorporated in India having registered address 305, 3rd Floor, Bhonot Corner, Pamposh Enclave, Greater Kailash-I, New Delhi-110048.

The inputs used in determining fair value of the investment in subsidiary is categorised into level 3. The investment in subsidiaries are denominated in US Dollar.

Investment consists of unquoted shares in a wholly owned subsidiary in Singapore.

a) Details of investment in subsidiary are given below:

	2019/2018
Class of Shares	Ordinary
% Holding	100%
Country of incorporation	Singapore
No of shares	38,200,073
Activity	Investment holdings

b) Summarised financial information in respect of the subsidiary for the year ended 31 March 2019/2018 is set out as below:

(i) Summarised statement of Financial position and statement of profit or loss and other comprehensive income:

Name of Company	Current assets	Non-current assets	Current liabilities	Revenue	Loss for the year	Total comprehensive loss for the year
	USD	USD	USD	USD	USD	USD
2019						
Upet (Singapore) Pte. Ltd.	106,248	38,047,847	4,830	-	(5,280)	(5,280)
2018						
Upet (Singapore) PTE. Ltd.	111,691	38,047,847	4,993	-	(5,799)	(5,799)

UPET (Singapore) Pte Ltd holds 100% ordinary shares in FLEX AMERICAS SA DE CV. The latter has total assets of USD 103,695,048 and total liabilities of USD 52,397,784. The revenue amounts to USD 134,000,845 and profit for the year amounts to USD 8,823,842. UPET Holdings Limited regards UPET (Singapore) Pte Ltd and FLEX AMERICAS SA DE CV as cash generating units (CGUs). Management has made an assessment and have determine that the recoverable amount approximate the carrying amount of the investment in subsidiary. As a result, there is no impairment.

8. INVESTMENTS IN SUBSIDIARY- AT COST (CONTINUED)

b) Summarised financial information in respect of the subsidiary for the year ended 31 March 2019/2018 is set out as below (continued):

(ii) Summarised cash flow information for the year ended 31 March 2019/2018:

	Operating activities	Investing activities	Financing activities	Net decrease in cash and cash equivalents
	USD	USD	USD	USD
2019				
Upet (Singapore) pte. Ltd.	(5,443)	-	(95,488)	(100,931)
2018				
Upet (Singapore) pte. Ltd.	(5,490)	-	(10,687)	(16,177)

The financial year-end of UPET (Singapore) Pte Ltd is 31 March 2019. Management account as at 31 March 2019 has been used and adjusted for significant transactions.

9. OTHER RECEIVABLES

	2019	2018
	USD	USD
Prepayments	3,569	2,662

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment on other receivbles.

10. CASH AND CASH EQUIVALENTS

	2019	2018
	USD	USD
Cash at bank	70,312	81,414

11. STATED CAPITAL

	2019	2018
	USD	USD
Issued and fully paid		
38,400,001 Ordinary shares of USD 1 Each	38,400,001	38,400,001

12. OTHER PAYABLES

	2019	2018
	USD	USD
Other payables	10,125	8,875
Accruals	2,300	1,150
	12,425	10,025

Other payables are stated at their fair value and subsequently measured at amortised cost using the effective interest method.

13. HOLDING COMPANY

The directors consider UFLEX Limited, a Company incorporated in India as the holding Company.The shareholding of UFLEX Limited in the Company is 63.1% as at 31 March 2019. The remaining shareholding is 36.9% are held by Flex Middle East FZE being a wholly owned subsidiary of Uflex Limited, as at 31 March 2019.

14. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2019, the Company transacted with related entities at arm's length. The nature, volume of transactions and the balances with the entity is as follows:

Name of entities	Relationship	Details	2019	2018
			USD	USD
Balances				
UPET (SINGAPORE) PTE LTD	Subsidiary	Investments	**38,181,821**	38,181,821

15. EVENTS AFTER THE REPORTING YEAR

There have been no material events after the reporting date which would require disclosure or adjustments to the financial statements for the year ended 31 March 2019.