

ISP Internet Mauritius Company

Financial Statements

for the year ended 31 March 2021

ISP Internet Mauritius Company**Financial Statements***for the year ended 31 March 2021*

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Corporate data

		Date of appointment	Date of resignation
Directors	: Avadhut Digambar Ketkar Fatweena Uteene-Mahamod Sharmanand Jhurreea	07-May-19 23-Mar-20 23-Mar-20	- - -
Administrator and Secretary	: IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius		
Registered office	: C/o IQ EQ Corporate Services (Mauritius) Ltd 33, Edith Cavell Street Port Louis, 11324 Mauritius		
Auditors	: VBS Business Services 1 st Floor, Hennessy Court Pope Hennessy Street Port Louis Mauritius		
Banker	: The Mauritius Commercial Bank Limited 9-11, Sir William Newton Street Port Louis Mauritius		

Commentary of the directors

The directors submit herewith their commentary together with the audited financial statements of ISP Internet Mauritius Company (the "Company") for the year ended 31 March 2021.

Status and principal activity

The Company was incorporated in Mauritius on 15 June 1994 under the Mauritius Companies Act. The Company holds a Global Business Licence and is regulated by the Financial Services Commission. The principal activity of the Company is that of investment holding.

Results and dividend

The results for the year are shown on page 7.

The directors do not recommend the payment of dividend for the financial year under review (2020: USD Nil).

Statement of directors' responsibilities in respect of the financial statements

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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 enable the preparation of financial statements that comply with the Mauritius Companies Act. 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.

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

Auditors

The auditors, **VBS Business Services**, have expressed their willingness to continue in office and will be automatically re-appointed at the next annual meeting of the Company.

Secretary's certificate

(Section 166 (d) of the Mauritius Companies Act 2001)

We certify, to the best of our knowledge and belief, that **ISP Internet Mauritius Company** (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act for the year ended 31 March 2021.

.....
Secretary

Date: 29 April 2021

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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ISP INTERNET MAURITIUS COMPANY

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of ISP Internet Mauritius Company (the "Company"), which comprise of the statement of financial position as at 31 March 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 26.

In our opinion, these financial statements give a true and fair view of the financial position of ISP Internet Mauritius Company as at 31 March 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 6 to the financial statements which indicates the assessment made by the directors in respect of Covid-19 pandemic, if any, on the going concern of the Company. Our opinion is not modified in that respect.

Other Information

The directors are responsible for the other information. The other information comprises of commentary of the directors and secretary's certificate.

Our opinion on the financial statements does not cover the other information.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ISP INTERNET MAURITIUS COMPANY (CONTINUED)

Report on the Audit of Financial Statements (continued)

Directors' Responsibilities for the Financial Statements

The directors are responsible for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritius Companies Act for companies holding a Category 1 Global Business Licence and in compliance with the requirements of the Mauritius Companies Act. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ISP INTERNET MAURITIUS COMPANY (CONTINUED)

Report on the Audit of Financial Statements (continued)

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

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

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

Other Matter

This report is made solely to the Company's member in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

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

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.

VBS Business Services

Chartered Certified Accountants

Port Louis, Mauritius

Date:

Statement of profit or loss and other comprehensive income
for the year ended 31 March 2021

	Note	2021 USD	2020 USD
EXPENSES			
Professional fees		6,200	4,916
Licence fees		2,175	2,349
Audit fees		1,696	1,679
Accounting fees		1,000	1,000
Bank charges		230	450
Disbursements		150	300
		<u>11,451</u>	<u>10,694</u>
LOSS BEFORE TAXATION		(11,451)	(10,694)
Taxation	7	-	-
LOSS FOR THE YEAR		(11,451)	(10,694)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(11,451)	(10,694)
BASIC AND DILUTED EARNINGS PER SHARE	14	(0.38)	(0.36)

Independent auditors' report on pages 4 to 6.

The notes on pages 11 to 26 are an integral part of these financial statements.

Statement of financial position
as at 31 March 2021

	Note	2021 USD	2020 USD
ASSETS			
Non-current assets			
Investments in subsidiaries	8	<u>1,252,764</u>	<u>1,252,764</u>
Current assets			
Loan to subsidiary	9	<u>1</u>	<u>1</u>
Prepayments		<u>1,712</u>	<u>8,212</u>
Cash and cash equivalents		<u>136,424</u>	<u>141,225</u>
Total current assets		<u>138,137</u>	<u>149,438</u>
TOTAL ASSETS		<u>1,390,901</u>	<u>1,402,202</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	10	<u>3,214,288</u>	<u>3,214,288</u>
Accumulated losses		<u>(1,827,997)</u>	<u>(1,816,546)</u>
Total equity		<u>1,386,291</u>	<u>1,397,742</u>
Liabilities			
Current liabilities			
Accrued expenses		<u>4,610</u>	<u>4,460</u>
TOTAL EQUITY AND LIABILITIES		<u>1,390,901</u>	<u>1,402,202</u>

Approved by the board of directors on 29 April 2021 and signed on its behalf by

.....
Director

.....
Director

Statement of changes in equity
for the year ended 31 March 2021

	Stated capital USD	Accumulated losses USD	Total USD
At 01 April 2019	3,214,288	(1,805,852)	1,408,436
<i>Total comprehensive income for the year</i>			
Loss for the year	-	(10,694)	(10,694)
<i>Total comprehensive income for the year</i>	-	(10,694)	(10,694)
At 31 March 2020	3,214,288	(1,816,546)	1,397,742
Total comprehensive income for the year			
Loss for the year	-	(11,451)	(11,451)
Total comprehensive income for the year	-	(11,451)	(11,451)
At 31 March 2021	3,214,288	(1,827,997)	1,386,291

Independent auditors' report on pages 4 to 6.

The notes on pages 11 to 26 are an integral part of these financial statements.

Statement of cash flows*for the year ended 31 March 2021*

	2021 USD	2020 USD
Cash flows from operating activities		
Loss before taxation	(11,451)	(10,694)
<i>Changes in working capital:</i>		
Change in prepayments	6,500	(6,610)
Change in accrued expenses	150	(2,500)
Net cash used in operating activities	(4,801)	(19,804)
Net movement in cash and cash equivalents	(4,801)	(19,804)
Cash and cash equivalents at beginning of year	141,225	161,029
Cash and cash equivalents at end of year	136,424	141,225

Independent auditors' report on pages 4 to 6.

The notes on pages 11 to 26 are an integral part of these financial statements.

Notes to the financial statements*for the year ended 31 March 2021*

1. General information

ISP Internet Mauritius Company (the "Company") was incorporated on 15 June 1994 as a private company with limited liability by shares and is domiciled in Mauritius. The address of the Company's registered office is C/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius. The principal activity of the Company is that of investment holding.

2. Basis of preparation**(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as modified by the exemption from consolidation in the Mauritius Companies Act for companies holding a Category 1 Global Business Licence and comply with the Mauritius companies Act in so far as applicable to Category 1 Global Business Licenced companies.

The financial statements were authorised for issue by the board of directors on 29 April 2021.

(b) Basis of measurement

The financial statements are prepared on the historical cost basis, except for financial assets and liabilities which are measured at amortised cost.

(c) Functional and presentation currency

The financial statements of the Company are presented in the United States Dollar ("USD") and all values are rounded to the nearest dollar except when otherwise indicated. The Company's functional currency is USD, the currency of the primary economic environment in which the Company operates.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 year in which the estimates are revised and in any future years affected.

3. Changes in significant accounting policies**New and amended standards adopted by the Company**

The accounting policies adopted are consistent with those of the previous financial year. There were a number of new standards and interpretations which were effective for this financial year, none of which are expected to have an impact on the Company.

Notes to the financial statements
for the year ended 31 March 2021

3. Changes in significant accounting policies (continued)

New and amended standards adopted by the Company (continued)

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

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The IASB has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

These amendments had no impact on the financial statements of the Company.

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

These amendments had no impact on the financial statements of the Company.

4. Significant accounting policies

The principal accounting policies adopted are as follows:

(a) Income tax expense

(i) Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Notes to the financial statements*for the year ended 31 March 2021*

4. Significant accounting policies (continued)**(a) Income tax expense (continued)****(ii) Current tax**

Current tax is the expected tax payable on the taxable income 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.

(iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(b) Expenses

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

(c) Foreign currency transactions

The financial statements are presented in USD (presentation currency) which is also the currency of the primary economic environment in which the Company operates (functional currency). The Company determines its own functional currency and items included in the financial statements of the Company are measured using that functional currency.

Notes to the financial statements*for the year ended 31 March 2021*

4. Significant accounting policies (continued)**(c) Foreign currency transactions (continued)**

Transactions in foreign currencies are initially recorded by the entity at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences arising on settlement or retranslation of monetary items are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(d) Financial instruments*(i) Recognition and initial measurement*

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment or equity investment; or fair value through profit or loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial statements
for the year ended 31 March 2021

4. Significant accounting policies (continued)

(d) Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets – Business model assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has one business model:

- Hold-to-collect business model: this includes loan to subsidiary and cash and cash equivalents. These financial assets are held to collect contractual cash flows.

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Notes to the financial statements*for the year ended 31 March 2021***4. Significant accounting policies (continued)****(d) Financial instruments (continued)***(ii) Classification and subsequent measurement (continued)**Financial assets – Subsequent measurement and gains and losses:*

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

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

*(iii) Derecognition**Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligation is discharged or cancelled, or expires. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements
for the year ended 31 March 2021

4. Significant accounting policies (continued)**(d) Financial instruments (continued)***(iv) Offsetting financial instruments (continued)*

Income and expenses are presented on a net basis only when permitted under IFRSs, for example, for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

(v) Fair value measurement principles

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company measures the fair value of an instrument, using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs, if there is no quoted price in an active market. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

(vi) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(e) Stated capital

Ordinary shares are classified as equity.

(f) Related parties

For the purposes 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 individuals or other entities.

(g) Impairment*Non-derivative financial assets*

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Notes to the financial statements
for the year ended 31 March 2021

4. Significant accounting policies (continued)

(g) Impairment (continued)

Non-derivative financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default:

- when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising assets (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- the underlying project is put on hold
- breach of contract such as a default or being more than 90 days past due.

Notes to the financial statements
for the year ended 31 March 2021

4. Significant accounting policies (continued)**(g) Impairment (continued)***Presentation of allowance for ECLs in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(h) Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has power, is exposed or has rights to variable returns from its involvement and has the ability to use its power to affect its returns.

Investments in subsidiaries are shown at cost. Any impairment in the value of an investment is recognised by reducing the cost of the investment to its recoverable amount and charging the difference to profit or loss. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

(i) Consolidated financial statements

The Company owns 100% of the share capital of Oracle (OFSS) BPO Services Inc. and 99.82% of the share capital of Oracle OFSS BPO Services Limited. It has taken advantage of the exemption provided by the Mauritius Companies Act, allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements. The financial statements are therefore separate statements which contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group.

(j) Provisions

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

(k) 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.

Notes to the financial statements
for the year ended 31 March 2021

5. New standards, interpretations and amendments issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 01 April 2020 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

These will be adopted in the period that they become mandatory unless otherwise indicated:

Annual Improvements to IFRS Standards 2018-2020

IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment is effective for annual reporting periods beginning on or after 01 January 2022 with earlier application permitted.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 01 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date.

6. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures, the disclosure of contingent liabilities. Uncertainties about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements:

Notes to the financial statements
for the year ended 31 March 2021

6. Significant accounting judgement, estimates and assumptions (continued)***Judgements (continued)****Determination of functional currency*

The primary objective of the Company is to generate returns in USD, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD. The Company's performance is evaluated in USD. Therefore, management considers USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

Impairment of financial assets

The impairment of financial assets is based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting date.

Impairment of investments in subsidiaries

The carrying values of investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Company evaluates, amongst other factors, the future profitability of the subsidiaries, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

Impact of Covid-19

In early 2020, the emergence of the Covid-19 (Coronavirus) pandemic has led to significant volatility and declines in the global markets. The directors are monitoring the evolving situation closely and evaluating its potential exposure and believe that Covid-19 did not have any material impact on the Company and subsidiaries' operations at reporting date.

7. Taxation

The Company, being resident in Mauritius, is liable to income tax in Mauritius on its chargeable income at the rate of 15% (2020: 15%). The Company has received its Category 1 Global Business Licence ("GBL1") before 16 October 2017 and is grandfathered under the provisions of the Finance (Miscellaneous Provisions) Act 2018 ("FA 2018"). As from 01 July 2021, the Company's GBL1 Licence will be automatically converted to a Global Business Licence ("GBL"). The Company will therefore operate under the current tax regime up to 30 June 2021.

Until 30 June 2021, the Company's foreign sourced income is eligible for a foreign tax credit which is computed as the higher of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the actual foreign tax charged by the foreign jurisdiction or a deemed foreign tax. The deemed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total actual foreign tax credit, the Company is allowed to pool all its foreign sourced income.

Notes to the financial statements
for the year ended 31 March 2021

7. Taxation (continued)

Under the new regime, the Company will be able to claim an 80% partial exemption on specific types of income (including foreign dividends and interest), subject to meeting pre-defined substance conditions. Other types of income not falling within the categories of income benefitting from the partial exemption will be taxed at 15%. As an alternative to the partial exemption, the Company can claim a tax credit against its Mauritius tax liability based on the foreign tax charged on the income in the foreign jurisdiction.

Recognised in the statement of profit or loss and other comprehensive income

	2021	2020
	USD	USD
<u>Current tax expense</u>		
Current year income tax	-	-
<i>Reconciliation of effective tax</i>		
Loss before taxation	(11,451)	(10,694)
Income tax at 15%	(1,718)	(1,604)
Deferred tax asset not recognised	1,718	1,604
Tax expense	-	-

At 31 March 2021, the Company had accumulated tax losses of **USD 44,932** (2020: USD 33,481) and therefore no provision for income tax has been made in the accounts. The tax losses are available for set off against future taxable profit of the Company as per table below.

Loss relating to financial year ending:	Carry forward up to financial year ending:	USD
31-Mar-18	31-Mar-23	13,878
31-Mar-19	31-Mar-24	8,909
31-Mar-20	31-Mar-25	10,694
31-Mar-21	31-Mar-26	11,451
Tax losses carried forward		44,932

Deferred tax

No deferred tax assets of **USD 1,348** (2020: USD 1,004) has been provided at year end due to the uncertainty that future taxable profit will be available, within the tax allowable period, against which the temporary differences can be utilised.

8. Investments in subsidiaries

	2021	2020
	USD	USD
Cost		
At start/end of year	1,253,243	1,253,243
Impairment		
At start/end of year	(479)	(479)
Carrying amount	1,252,764	1,252,764

Notes to the financial statements*for the year ended 31 March 2021***8. Investments in subsidiaries (continued)****Details of the investments held in the subsidiaries are as follows:**

<i>Name of investee companies</i>	<i>Country of incorporation</i>	<i>Type and number of shares</i>	<i>% held</i>	2021 USD	2020 USD
Oracle OFSS BPO Services Limited	India	5,808,660 equity shares of INR 10 each	99.82	1,252,763	1,252,763
Oracle (OFSS) BPO Services Inc.	USA	20,000 common stock of USD 0.01 each	100	1	1
				1,252,764	1,252,764

9. Loan to subsidiary

	2021 USD	2020 USD
At start/end of year	1	1

In 2020, the directors had assessed the recoverable amount of the loan to Oracle (OFSS) BPO Services Inc. amounting to USD 2,396,897 and had determined that it should be impaired and kept at USD 1 for the year ended 31 March 2021. The loan to the subsidiary is unsecured, interest free and receivable on demand.

10. Stated capital

	2021 USD	2020 USD
25,200 Series A Ordinary shares of no par value	2,700,002	2,700,002
4,800 Series B Ordinary shares of no par value	514,286	514,286
	3,214,288	3,214,288

Series A Ordinary shares are entitled to 84% of the voting rights, rights to dividend, right to return on capital and any distribution in any form whatsoever.

Series B Ordinary shares are entitled to 16% of the voting rights, rights to dividend, right to return on capital and any distribution in any form whatsoever.

11. Financial instruments and capital management*Overview*

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Notes to the financial statements
for the year ended 31 March 2021

11. Financial instruments and capital management (continued)

Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

The Company's maximum exposure to credit risk at 31 March 2021 is the carrying amount of its loan to subsidiary and cash and cash equivalents. The Company manages credit risk by banking with reputable financial institutions and by carrying out transactions through company within the group. At the reporting date, there was no significant concentration of credit risk.

At the reporting date, the Company's exposure to credit risk was as follows:

	Carrying amount	
	2021	2020
	USD	USD
Cash and cash equivalents	136,424	141,225
Loan to subsidiary	1	1
	136,425	141,226

Expected Credit Loss ("ECL")

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk and the identical impairment loss is immaterial.

There has been no change in impairment loss allowance on loan to subsidiary at reporting date.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Company's reputation.

The table below illustrates the maturity analysis of the Company's financial liabilities based on contractual undiscounted payments.

	Due on demand	Due for less than 1 year	Due between 1-5 years	Total
	USD	USD	USD	USD
31 March 2021				
Financial liabilities				
Accrued expenses	-	4,610	-	4,610

Notes to the financial statements
for the year ended 31 March 2021

11. Financial instruments and capital management (continued)

Liquidity risk (continued)

	Due on demand USD	Due for less than 1 year USD	Due between 1-5 years USD	Total USD
31 March 2020				
<i>Financial liabilities</i>				
Accrued expenses	-	4,460	-	4,460

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The Company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility.

Currency risk

There is no significant currency risk as substantially all financial assets and financial liabilities are denominated in the Company's functional currency, the USD.

Interest rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing. As a result, the Company is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. The Company is not exposed to interest rate risk at the reporting date.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to monitor and adjust the capital structure, the Company may adjust the amount of dividends paid to shareholder or issue new shares. In the event that the Company requires additional capital, the immediate parent will provide the appropriate financial support to the Company.

Fair values measurement

The carrying amount of the Company's financial assets and liabilities comprising of loan to subsidiary, cash and cash equivalents and accrued expenses approximate their fair values.

Notes to the financial statements
for the year ended 31 March 2021

11. Financial instruments and capital management (continued)

Fair values measurement (continued)

Categories of financial instruments

	Financial assets at amortised cost	
	2021	2020
	USD	USD
Financial assets		
Cash and cash equivalents	136,424	141,225
Loan to subsidiary	1	1
Total financial assets	136,425	141,226
	Financial liabilities at amortised cost	
	2021	2020
	USD	USD
Financial liabilities		
Accrued expenses	4,610	4,460

12. Related party transactions

The followings are related parties' transactions and balances at year end.

	2021	2020
	USD	USD
<u>Loan to subsidiary - Oracle (OFSS) BPO Services Inc.</u>		
At start/end of year	1	1
<u>Administrator and secretary - IQ EQ Corporate Services (Mauritius) Ltd</u>		
Administration expenses	6,400	5,548

13. Holding and ultimate holding company

The directors consider Oracle Financial Services Software Limited, a company incorporated under the laws of India as the Company's immediate and ultimate holding company.

14. Basic and Diluted earnings per share

The earnings per share is calculated by dividing the profit attributable to the holders of ordinary shares by the weighted average number of ordinary shares as follows:

	2021	2020
	USD	USD
Earnings attributable to the ordinary shareholder	(11,451)	(10,694)
Weighted average number of ordinary shares	30,000	30,000
Earnings per share	(0.38)	(0.36)

15. Events after the reporting date

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2021.