

**DELTA HOSPITALITY AND
ENTERTAINMENT MAURITIUS
LIMITED**

FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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FOR THE YEAR ENDED 31 MARCH 2020

MANAGEMENT AND ADMINISTRATION

		Date of appointment	Date of resignation
DIRECTORS:	Virrsing Ramdeny	8-Sep-08	-
	Koosoom Newoor	15-Oct-10	1-Jul-19
	Anoopreet Sobha	1-Jul-19	-

SECRETARY: Associated Consultants Ltd
Level 3, GFin Tower
42 Hotel Street, Cybercity
Ebene, 72201
Mauritius

REGISTERED OFFICE: Level 3, GFin Tower
42 Hotel Street, Cybercity
Ebene, 72201
Mauritius

AUDITORS: BIT Associates
Chartered Certified Accountants & Registered Auditors
50 Avenue Des Mouettes
Sodnac
Quatre Bornes
Mauritius

FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS' REPORT

The directors are pleased to present their annual report and audited financial statements of Delta Hospitality and Entertainment Mauritius Limited for the year ended March 31, 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments.

RESULTS AND DIVIDENDS

The Company's loss for the year ended March 31, 2020 is **USD 8,992** (2019: Loss USD 12,796).

The directors do not recommend the payment of a dividend for the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, BIT Associates, have indicated their willingness to continue in office and will be automatically re-appointed at the next Annual Meeting.

By Order of the Board



SECRETARY

Date: 08 MAY 2020

**CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001**

We certify that, to the best of our knowledge and belief, the Company has filed with The Registrar of Companies, during the financial year ended March 31, 2020 all such returns as are required for a company under the Companies Act 2001.



.....
For and on behalf of Associated Consultants Ltd
Company Secretary

Date: 08 MAY 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED (the Company), on pages 8 to 23 which comprise the statement of financial position as at March 31, 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity, 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 on pages 8 to 23 give a true and fair view of the financial position of the Company as at March 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment 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 directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED

We communicate with those charged with governance 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 members of DELTA HOSPITALITY AND ENTERTAINMENT MAURITIUS LIMITED (the "Company"), 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

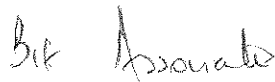
Report on Other Legal and Regulatory Requirements

Companies Act 2001

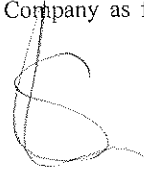
We have no relationship with, or interests in, the Company, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all 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.



BIT ASSOCIATES
Chartered Certified Accountants
& Registered Auditors



DWARKA SOOCHIT, FCCA, FCMA, CGMA
Licensed by FRC

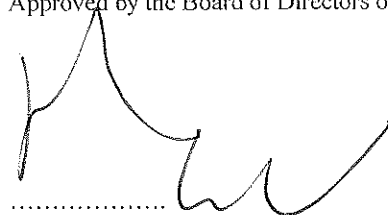
Quatre Bornes,
Mauritius


Date: 08 MAY 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

<u>ASSETS</u>		<u>2020</u>	<u>2019</u>
		USD	USD
Non-current assets			
Investment in subsidiary	5	4,485,000	4,485,000
Loans and advances	6	-	100,000
		<u>4,485,000</u>	<u>4,585,000</u>
Current assets			
Loans to related party	6	100,000	-
Other receivables and amortised cost	7	82,264	77,821
Cash and cash equivalents	8	2,090	5,575
		<u>184,354</u>	<u>83,396</u>
TOTAL ASSETS		<u><u>4,669,354</u></u>	<u><u>4,668,396</u></u>
 <u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital	9	1,000,000	1,000,000
Accumulated deficit		<u>(149,546)</u>	<u>(140,554)</u>
Equity shareholder's interest		850,454	859,446
Preference share capital	9	<u>3,620,000</u>	<u>3,620,000</u>
		<u>4,470,454</u>	<u>4,479,446</u>
Current liabilities			
Borrowings	10	185,000	185,000
Accounts payable	11	<u>13,900</u>	<u>3,950</u>
		<u>198,900</u>	<u>188,950</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,669,354</u></u>	<u><u>4,668,396</u></u>

Approved by the Board of Directors on 08 MAY 2020


.....
Director


.....
Director

The notes on pages 12 to 23 form an integral part of these financial statements.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020	2019
		USD	USD
REVENUE:			
Interest income		2,046	2,049
		<u>2,046</u>	<u>2,049</u>
EXPENSES:			
Administrative expenses		7,112	10,900
Accounting and audit fees		3,750	3,750
Bank charges		55	27
		<u>10,917</u>	<u>14,677</u>
Loss on foreign exchange		<u>(121)</u>	<u>(168)</u>
Loss before taxation		(8,992)	(12,796)
Taxation	12	-	-
Total comprehensive loss for the year		<u><u>(8,992)</u></u>	<u><u>(12,796)</u></u>

The notes on pages 12 to 23 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Ordinary share capital USD	Preference share capital USD	Revenue (deficit) USD	Total USD
Balance at 01 April 2018	1,000,000	3,620,000	(127,758)	4,492,242
Total comprehensive loss for the year	-	-	(12,796)	(12,796)
Balance at 31 March 2019	1,000,000	3,620,000	(140,554)	4,479,446
Total comprehensive loss for the year	-	-	(8,992)	(8,992)
Balance at 31 March 2020	1,000,000	3,620,000	(149,546)	4,470,454

The notes on pages 12 to 23 form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		USD	USD
Operating activities			
Cash absorbed in operations	13(a)	(3,485)	(13,096)
Net cash absorbed in operating activities		(3,485)	(13,096)
Net movement in cash and cash equivalents		<u>(3,485)</u>	<u>(13,096)</u>
Movements in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		5,575	18,671
Cash and cash equivalents at end of the year	13(b)	2,090	5,575
Net movement in cash and cash equivalents		<u>(3,485)</u>	<u>(13,096)</u>

The notes on pages 12 to 23 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. GENERAL INFORMATION

Delta Hospitality and Entertainment Mauritius Limited is a limited liability company incorporated on September 8, 2008 and domiciled in Republic of Mauritius. It holds a Global Business Licence Category 1 under the Financial Services Act 2007. The Company's registered office address is at Level 3, GFin Tower, 42 Hotel Street, Cybercity, Ebene, Mauritius.

The Company is engaged in investment holding activities.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Company comply with the Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention, except that:

- (i) relevant financial assets and financial liabilities are stated at their fair values; and
- (ii) relevant financial assets and financial liabilities are carried at amortised cost.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

There were no major estimates and assumptions made during the year that have a significant risk of causing material adjustment to the carrying amounts of the company's assets and liabilities within the next financial year.

(b) Changes in accounting policies and disclosures

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts.

The amendment has no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies and disclosures (continued)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2015-2017 Cycle

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Changes in accounting policies and disclosures (continued)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

Annual Improvements to IFRSs 2015-2017 Cycle (continued)

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change.
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling.
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2020 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Definition of a Business (Amendments to IFRS 3)

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

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currencies transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollar ("USD") which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

(d) Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and when specific criteria have been met for each of the Company's activities as described below.

Dividend income - when the Company's right to receive payment is established. Dividend income are shown gross of any withholding taxes.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(e) Expense recognition

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

(f) Current and deferred income tax

The tax expense for the period comprises of current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Current and deferred income tax (continued)

Current tax

The current income tax charge is based on taxable income for the year calculated on the basis of tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available against which deductible temporary differences and losses can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

(g) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(h) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) **Financial assets**

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

The Company's accounting policies in respect of the main financial instruments are set out below:

(i) *Amortised Cost*

Other receivables

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

Cash and cash equivalents includes cash at bank

Cash and cash equivalents includes cash in hand, deposits held at calls with banks, other short term highly liquid investments with original maturities of three months or less, and - for the purpose of statements of cashflows.

(j) **Financial liabilities**

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired. The Company's accounting policy for other financial liabilities is as follows:

Short-term monetary liabilities are stated at fair value and subsequently measured at amortised cost using the effective interest method.

The Company's financial liabilities include the following:

(i) *Loan payable to holding company*

Loan payable to holding company is initially stated at fair value being its issue proceeds net of transaction costs incurred. Loan payable to holding company is subsequently stated at amortised cost.

(ii) *Other payables*

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

(k) **Stated Capital**

Ordinary shares are classified as equity.

(l) **Investments**

The financial statements include investments in companies which are not listed or quoted. In the absence of readily determinable fair values, the investments have been stated at cost. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from these estimated valuations and such differences could be material.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the period of the revision and future periods if the revision affects both current and future periods.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Key sources of estimation uncertainty

With regards to the nature of the Company's business there were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. CONSOLIDATED FINANCIAL STATEMENTS

The Company has taken advantage of the Fourteenth Schedule Part 1 (12) of the Companies Act 2001, which dispenses it from the need to present consolidated financial statements as the Company holds a Category 1 Global Business Licence and it is a wholly owned subsidiary of Delta Corp Limited.

Investment in subsidiary company is carried at cost less the carrying amount is reduced to recognise any impairment in the value of the individual investment. Details on the investment in subsidiaries are included under note 5.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

5. INVESTMENT IN SUBSIDIARY	2020	2019
	USD	USD
At April 01, and March 31	<u>4,485,000</u>	<u>4,485,000</u>

Details of investment in subsidiary are as follows:

Name of Company	Country of Incorporation	Type of shares	Year 2020 & 2019	
			Number of shares	Percentage Holding
Delta Hotels Lanka Ltd	Sri Lanka	Equity	5,750,000	100%

Investments in Delta Hotels Lanka Ltd has been stated at cost.

The directors have reviewed the carrying value of the Company's interest in the subsidiary company at the end of the reporting date and considered that there is no indication of impairment.

6. LOANS TO RELATED PARTY	2020	2019
	USD	USD
Loan to related party	<u>100,000</u>	<u>100,000</u>

Loan to related party bears interest of 2% per annum and receivable by 13 November 2020.

7. OTHER RECEIVABLES AT AMORTISED COST	2020	2019
	USD	USD
Other receivables	<u>82,264</u>	<u>77,821</u>

The carrying amounts of other receivables approximate their fair value.

8. CASH AND CASH EQUIVALENTS	2020	2019
	USD	USD
Cash at bank	<u>2,090</u>	<u>5,575</u>

9. SHARE CAPITAL	Issued and fully paid	
	2020	2019
	USD	USD
10,000 Ordinary Shares	<u>1,000,000</u>	<u>1,000,000</u>
At March 31,	<u>1,000,000</u>	<u>1,000,000</u>

Voting rights

Each ordinary share shall entitle its holder to receive notice of, and to attend and vote at any meeting of the company.

Rights relating to dividends

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

9. SHARE CAPITAL (CONT'D)

Rights relating to repayment of capital

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the company.

<u>Preference share capital</u>	<u>2020</u>	<u>2019</u>
	USD	USD
36,200 0% Optionally Convertible Redeemable Preference shares	<u>3,620,000</u>	<u>3,620,000</u>

10. BORROWINGS

	<u>2020</u>	<u>2019</u>
	USD	USD
Shareholder's loan	<u>185,000</u>	<u>185,000</u>

These loans are interest free and repayable in demand.

11. ACCOUNTS PAYABLE

	<u>2020</u>	<u>2019</u>
	USD	USD
Other Payable and accruals	<u>13,900</u>	<u>3,950</u>

The carrying amounts of other payables and accruals approximate their fair value.
The accounts payable is dominated in dollars.

12. TAXATION

The company is liable to pay tax in Mauritius at the rate of 15%. However, following the enactment of Finance Bill 2018, the 80% exemption is available upon meeting pre-defined substance requirements. The deemed foreign tax credit will be grandfathered until 31 December 2018 for entities obtaining the licence after 16 October 2017 and until 30 June 2021 for entities obtaining licences before 16 October 2017. At 31 March 2020, the Capital gains of the company are exempt from tax in Mauritius.

13. NOTES TO THE STATEMENT OF CASH FLOW

	<u>2020</u>	<u>2019</u>
	USD	USD
(a) Cash generated from/(absorbed in) operations		
Reconciliation of profit/(loss) before taxation to cash generated from(absorbed in) operations:		
Loss before taxation	(8,992)	(12,796)
Adjustments for:		
Changes in working capital:		
- Accounts payable	9,950	1,700
- Accounts receivable	(4,443)	(2,000)
Cash absorbed in operations	<u>(3,485)</u>	<u>(13,096)</u>
(b) Cash and cash equivalents		
	<u>2020</u>	<u>2019</u>
	USD	USD
Cash at bank	<u>2,090</u>	<u>5,575</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of stated capital and accumulated losses.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

(a) *Market risk*

(i) *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Sri Lanka Rupee (LKR). Foreign exchange risk arises from investments bank account that the Company holds in Sri Lanka, whose net assets are exposed to foreign currency translation risk.

Foreign currency risk management

The Company has investments and bank account which are denominated in Sri Lanka

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	31-Mar-20		31-Mar-19	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Sri Lanka Rupee	4,486,409	-	4,489,255	-
USD	182,945	198,900	179,141	188,950
	4,669,354	198,900	4,668,396	188,950

(ii) *Interest rate risk management*

As the Company has no significant interest-bearing assets, the Company's operating cash flows are substantially independent of the changes in market interest rates.

(iii) *Price risk*

The Company is not faced with any price risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. FINANCIAL INSTRUMENTS (CONTINUED)

(b) *Credit risk*

The Company has no significant concentration of credit risk.

(c) *Liquidity risk*

Liquidity risk is the risk that the Company is unable to meet its payment obligations, associated with its financial liabilities, when they fall due.

Ultimate responsibility for liquidity risk rests with the board of directors, who monitors the company's short, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Liquidity risk as at 31 March 2020

	Due on demand	Due for less than 1 year	More than 1 year	Total
	USD	USD	USD	USD
<i>Assets</i>				
Loans and advances	-	100,000	-	100,000
Accounts receivable	-	82,264	-	82,264
Cash and cash equivalents	2,090	-	-	2,090
	<u>2,090</u>	<u>182,264</u>	<u>-</u>	<u>184,354</u>
<i>Liabilities</i>				
Borrowings	-	185,000	-	185,000
Accounts payable	-	13,900	-	13,900
	<u>-</u>	<u>198,900</u>	<u>-</u>	<u>198,900</u>

(d) *Fair value estimation*

The carrying values for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. RELATED PARTY TRANSACTION

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions or if they are subject to common control.

For the year ended 31 March 2020, the transactions with related parties are as follows:

Related Parties	Relationship	Nature of Operations	Volume of Transactions	Balance at 31.03.2020
			USD	USD
Delta Corp Limited	Shareholder	Loan received	-	185,000
Delta Hotels Lanka Ltd	Subsidiary	Receivable	-	74,945
		Loan given	-	100,000
		Interest receivable	2,005	4,767

16. EVENTS AFTER THE REPORTING PERIOD

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

At this point, the company cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on the business, results of operations, financial position and cash flows.

17. HOLDING COMPANY

The Company is 100% controlled by Delta Corp Limited, a Company listed on the Bombay Stock Exchange Limited and National Stock Exchange of India.