

**ASI Global Ltd.**

**Port Louis (Mauritius)**

**Financial statements &  
Auditor's report: 2019-20**

**ASI Global Ltd.**  
**Port Louis (Mauritius)**

**Financial statements: 2019-20**  
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# ASI GLOBAL LIMITED

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## Directors' report

The directors of the company present this report along with the financial statements of ASI Global Ltd. for the year ended 31st March 2020.

### Legal status and shareholder:

ASI Global Ltd. is incorporated and registered as a private limited company under the Companies Act 2001 (Act no. 15 of 2001) with registrar of companies, Port Louis (Mauritius) under registration no. 123039.

The shareholder of the company and its share in capital as at reporting date is as under:

| Name & nationality                 | Share capital |         |             |
|------------------------------------|---------------|---------|-------------|
|                                    | No. of shares | %age    | Value (USD) |
| M/s. ASI Industries Limited, India | 4,150,000     | 100.00% | 4,150,000/- |
|                                    | 4,150,000     | 100.00% | 4,150,000/- |

### Operations of the company:

The company is licensed to carry on the activities of any legal business and during the year under review, it has earned income by way of interest on amount due from subsidiary (i.e. M/s. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.) and incurred expense by way of interest on amount due to its parent company.

The financial highlights of the company are as below:

|                              | Amount in U.S. Dollars (USD) |             |
|------------------------------|------------------------------|-------------|
|                              | 2019-20                      | 2018-19     |
| Revenue & other income       | 22,117/-                     | 434,658/-   |
| Net (loss)/profit            | (19,344/-)                   | 143,074/-   |
| Total liabilities            | 4,694,402/-                  | 9,824,009/- |
| Equity & shareholder's funds | 3,586,547/-                  | 3,605,891/- |

The COVID-19 outbreak & resultant disruptions to economic activities may have impact on the company's operations & financial performance. Management is in the process of carrying out detailed assessment that this event would have and pending this assessment, it would not be able to quantify the impact, this event may have on the company's operations, financial performance, liquidity, solvency as well as going concern assumption. Management of the company, based on its preliminary assessment & review, assures that it would be able to continue its operations in the foreseeable future and parent company would provide necessary financial support, as and when required. Hence these financial statements are prepared on a going concern assumption.

### Results & dividend:

Net loss for the year amounted to USD 19,344/- (previous year earned net profit of USD 143,074/-).

Current year net loss and opening balance of accumulated losses are proposed to be carried forward to be set off against future net profits.

### Management's responsibilities & acknowledgements:

We confirm that management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), Mauritius Companies Act 2001 (Act no. 15 of 2001) and provisions of the memorandum of association of the company.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The company's management further states that there are no material uncertainties which would make the going concern assumption inappropriate.

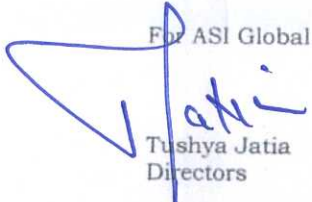
**Events occurring after the reporting date:**

There were no important events occurring after the reporting date that would materially affect the working or the financial statements of the company.

**Auditors:**

The company's auditors, M/s. Kothari Auditors & Accountants, Sharjah (U.A.E.) are retiring at the end of the annual general meeting of the shareholder and being eligible have expressed their willingness to be re-appointed. A resolution to re-appoint them for the year 2020-21 and to fix their remuneration would be put up before the shareholder at the annual general meeting.

For ASI Global Ltd.

  
Tushya Jatia  
Directors

  
Deepak Nemnatn Jatia



June 25, 2020  
Sharjah, United Arab Emirates



**Independent auditor's report**

To the shareholder of  
**ASI Global Ltd.**  
Port Louis (Mauritius)

**Opinion:**

We have audited the financial statements of ASI Global Ltd. ('the company'), which comprise the statement of financial position as at 31st March 2020, the statement of comprehensive income, statement of changes in equity & shareholder's funds and 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 accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31st March 2020, of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) applied on consistent basis.

**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 ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our basis of opinion are given below:

**Emphasis of matter:**

Without qualifying our opinion we draw your attention to the following:

- These financial statements of the company are prepared on stand-alone basis and consolidated financial statements are issued separately on June 25, 2020 (Ref: S/RP-3120/2020).

**Other matters:**

The COVID-19 outbreak has caused disruptions throughout the world impacting the economic activities with forecast of economic downturns in several parts of the world. Management of the company has, based on its preliminary assessment & review, assured that the company would be able to continue its operations in the foreseeable future and financial support, if any, would be provided as and when required.

Due to uncertainty surrounding the length & extent of impact as well as pending detailed assessment by the management, we are unable to review the impact of this event on the company's liquidity, solvency, as well as going concern, if any, and hence unable to express an opinion on impact that COVID-19 crisis may have on the company.

**Responsibilities of management and those charged with governance for the financial statements:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), Mauritius Companies Act 2001 (Act no. 15 of 2001) and provisions of the memorandum of association of the company and for such internal control as management determines 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, management is 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the company's financial reporting process.



كوتاري لتدقيق الحسابات

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**Independent auditor's report (continued)**

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To the shareholder of  
**ASI Global Ltd.**  
Port Louis (Mauritius)

**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.

A further description of the auditor's responsibilities for the audit of the financial statements can be found at Kothari Auditors & Accountants website page link at <http://www.kothariauditors.com/standards-commercial-company-laws-dubai.html>. This description forms part of our independent auditor's report.

**Report on other legal and regulatory requirements:**

Further we report that:

- (i) we have obtained all the information we considered necessary for the purpose of our audit;
- (ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Mauritius Companies Act 2001 (ACT no. 15 of 2001) and the memorandum of association of the company;
- (iii) the company has maintained proper books of account and the financial statements are in agreement therewith;
- (iv) the financial information included in the Directors' report is consistent with the books of accounts of the company;
- (v) investment in subsidiary as on 31st March 2020 is disclosed in note 8 to the financial statements;
- (vi) note 4.1 to the financial statements discloses material related party transactions, and the terms under which they were conducted;
- (vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the company has contravened, during the financial year ended 31st March 2020, any of the applicable provisions of the Mauritius Companies Act 2001 (ACT no. 15 of 2001) and of its memorandum of association which would materially affect its activities or its financial position as at 31st March 2020.

*Vipul R.*

Kothari Vipul R.  
Ministry of Economy Registration No. 159  
Kothari Auditors & Accountants

June 25, 2020  
Sharjah, United Arab Emirates





**ASI Global Ltd.**

**Port Louis (Mauritius)**

Statement of financial position as at 31st March 2020

| Particulars  | Note no. | Amount in U.S. Dollars (USD) |                          |
|--|----------|------------------------------|--------------------------|
|  |          | 31.03.2020                   | 31.03.2019               |
| <b>Assets:</b>   |          |                              |                          |
| <b>Current assets</b>                                      |          |                              |                          |
| Cash & bank balances                                       | 5        | 719,963                      | 241,446                  |
| Amount due from related party                              | 6        | 0                            | 1,546,910                |
|  |          | <u>719,963</u>               | <u>1,788,356</u>         |
| <b>Non-current assets</b>                                  |          |                              |                          |
| Amount due from related party                              | 7        | 1,611,311                    | 5,691,869                |
| Investments in subsidiary                                  | 8        | 5,949,675                    | 5,949,675                |
|  |          | <u>7,560,986</u>             | <u>11,641,544</u>        |
| <b>Total assets employed</b>                               |          | <b><u>8,280,949</u></b>      | <b><u>13,429,900</u></b> |
| <b>Liabilities, equity &amp; shareholder's funds:</b>      |          |                              |                          |
| <b>Current liabilities</b>                                 |          |                              |                          |
| Amount due to related party                                | 9        | 0                            | 908,717                  |
| Provisions, accruals & other liabilities                   | 10       | 6,867                        | 9,006                    |
|  |          | <u>6,867</u>                 | <u>917,723</u>           |
| <b>Non-current liabilities</b>                             |          |                              |                          |
| Amount due to related party                                | 11       | 0                            | 3,843,751                |
| Loans & advances from others                               | 12       | 4,687,535                    | 5,062,535                |
|  |          | <u>4,687,535</u>             | <u>8,906,286</u>         |
| Total liabilities  |          | 4,694,402                    | 9,824,009                |
| <b>Equity &amp; shareholder's funds</b>                    |          |                              |                          |
| Share capital  | 13       | 4,150,000                    | 4,150,000                |
| Reserves & surplus   | 14       | (563,453)                    | (544,109)                |
| Equity & shareholder's funds                               |          | <u>3,586,547</u>             | <u>3,605,891</u>         |
| <b>Total liabilities, equity &amp; shareholder's funds</b> |          | <b><u>8,280,949</u></b>      | <b><u>13,429,900</u></b> |

The attached note nos. 1 to 20 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The Board of directors have approved and authorised the directors for the issuance of these financial statements on June 25, 2020.

For ASI Global Ltd.

   
Tushya Jatia      Deepak Nemnath Jatia  
Directors



**ASI Global Ltd.**

**Port Louis (Mauritius)**

Statement of comprehensive income for the year ended 31st March 2020

| Particulars              | Note no. | Amount in U.S. Dollars (USD) |                             |
|--------------------------|----------|------------------------------|-----------------------------|
|                          |          | 01.04.2019 to<br>31.03.2020  | 01.04.2018 to<br>31.03.2019 |
| Revenue                  |          | 0                            | 0                           |
| Other income             | 15       | 22,117                       | 434,658                     |
| Administrative costs     | 16       | (22,198)                     | (21,206)                    |
| Finance costs            | 17       | (19,263)                     | (270,378)                   |
| <b>Net (loss)/profit</b> |          | <b>(19,344)</b>              | <b>143,074</b>              |

The attached note nos. 1 to 20 form an integral part of these financial statements.

Auditor's report is on page nos. 3 & 4. The Board of directors have approved and authorised the directors for the issuance of these financial statements on June 25, 2020.

For ASI Global Ltd.

   
Tushya Jatia      Deepak Nemhath Jatia  
Directors





**ASI Global Ltd.**

**Port Louis (Mauritius)**

Statement of changes in equity & shareholder's funds for the year ended 31st March 2020

| Particulars             | Amount in U.S. Dollars (USD) |                      |                  |
|-------------------------|------------------------------|----------------------|------------------|
|                         | Share capital                | Accumulated (losses) | Total            |
| As at 31.03.2018        | 4,150,000                    | (687,183)            | 3,462,817        |
| Net profit              | 0                            | 143,074              | 143,074          |
| Other net movements     | 0                            | 0                    | 0                |
| <b>As at 31.03.2019</b> | <b>4,150,000</b>             | <b>(544,109)</b>     | <b>3,605,891</b> |
| As at 31.03.2019        | 4,150,000                    | (544,109)            | 3,605,891        |
| Net (loss)              | 0                            | (19,344)             | (19,344)         |
| Other net movements     | 0                            | 0                    | 0                |
| <b>As at 31.03.2020</b> | <b>4,150,000</b>             | <b>(563,453)</b>     | <b>3,586,547</b> |

The attached note nos. 1 to 20 form an integral part of these financial statements.  
Auditor's report is on page nos. 3 & 4.

**ASI Global Ltd.**

**Port Louis (Mauritius)**

Statement of cash flows for the year ended 31st March 2020

| Particulars  | Note no. | Amount in U.S. Dollars (USD) |                          |
|--|----------|------------------------------|--------------------------|
|  |          | 01.04.2019 to 31.03.2020     | 01.04.2018 to 31.03.2019 |
| Cash flow from operating activities:                           |          |                              |                          |
| Net (loss)/profit  |          | (19,344)                     | 143,074                  |
| Adjustments for:   |          |                              |                          |
| Interest income  |          | (22,117)                     | (204,478)                |
| Finance costs  |          | 19,263                       | 270,378                  |
| Cash (used in)/generated from operations                       |          | (22,198)                     | 208,974                  |
| Net changes in operating assets & liabilities:                 |          |                              |                          |
| (Decrease)increase in provisions, accruals & other liabilities |          | (2,139)                      | 5,502                    |
| <b>Net cash (used in)/generated from operations</b>            |          | <b>(24,337)</b>              | <b>214,476</b>           |
| Cash flow from investing activities:                           |          |                              |                          |
| (Increase) in fixed deposit                                    |          | (3,131)                      | (102,642)                |
| Decrease(increase) in amount due from related party            |          | 5,627,468                    | (6,600)                  |
| Interest income  |          | 22,117                       | 204,478                  |
| <b>Net cash generated from investing</b>                       |          | <b>5,646,454</b>             | <b>95,236</b>            |
| Cash flow from financing activities:                           |          |                              |                          |
| (Decrease) in amount due to related party                      |          | (4,752,468)                  | (792,078)                |
| (Decrease)increase in loans & advances from others             |          | (375,000)                    | 769,820                  |
| (Outflow) of finance costs                                     |          | (19,263)                     | (270,378)                |
| <b>Net cash (used in) financing</b>                            |          | <b>(5,146,731)</b>           | <b>(292,636)</b>         |
| Surplus for the year   |          | 475,386                      | 17,076                   |
| Cash & cash equivalents at beginning of year                   |          | 138,804                      | 121,728                  |
| Cash & cash equivalents at end of year                         | 18       | 614,190                      | 138,804                  |

The attached note nos. 1 to 20 form an integral part of these financial statements.  
Auditor's report is on page nos. 3 & 4.

## ASI Global Ltd.

### Port Louis (Mauritius)

Notes to the financial statements for the year ended 31st March 2020

#### 1. Status and activity:

1.1 ASI Global Ltd. is incorporated and registered as a private limited company under the Companies Act 2001 (Act no. 15 of 2001) with registrar of companies, Port Louis (Mauritius) under registration no. 123039.

1.2 The shareholder of the company and its share in capital as at reporting date is as under:  
Share capital

| Name & nationality                 | No. of shares | %age    | Value (USD) |
|------------------------------------|---------------|---------|-------------|
| M/s. ASI Industries Limited, India | 4,150,000     | 100.00% | 4,150,000/- |
|                                    | 4,150,000     | 100.00% | 4,150,000/- |

1.3 The registered address of the company is VA Global Business Ltd, Office 113, 2nd floor, Medline Mews, Chaussee street, Port Louis (Mauritius).

1.4 The company is licensed to carry on the activities of any legal business and during the year under review, it has earned income by way of interest on amount due from subsidiary (i.e. M/s. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.) and incurred expense by way of interest on amount due to its parent company.

#### 2. Basis of preparation:

##### 2.1 Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards & Interpretations issued by International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC).

##### 2.2 Application of new and revised International Financial Reporting Standards (IFRSs):

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1st January 2019, have been adopted in these financial statements:

- IFRS 15: Revenue from contract with customers
- IFRS 9: Financial Instruments
- IFRS 16: Leases
- IFRIC 23: Uncertainty over income tax treatments

##### New standards or amendments

- IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the statement of financial position. No significant changes have been included for lessors.

**Effective for  
annual periods  
beginning on  
or after**

1st January  
2019



**ASI Global Ltd.**

**Port Louis (Mauritius)**

Notes to the financial statements for the period ended 31st March 2020

- IFRIC 23 Uncertainty over Income Tax treatments 1st January  
2019

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- whether tax treatments should be considered collectively; assumptions for taxation authorities' examinations;
- the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- the effect of changes in facts and circumstances.

- Amendments to IFRS 9 1st January  
2019

Under IFRS 9 (as issued in 2014), a prepayment option can be measured at amortised cost or FVOCI in a financial asset if the prepayment amount substantially represents unpaid amounts of principal and interest, which may include 'reasonable additional compensation' for early termination of the contract and if they meet the other relevant requirements of IFRS 9.

**2.3 Relevant new and amended statements in issue but not yet effective for the year ended 31st March 2020**

A number of new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after 1st January 2019 and have not been early applied in preparing these financial statements.

None of those are expected to have a significant effect on the financial statements of the company.

| <b>Standard/Interpretation</b> | <b>Effective date</b> |
|--------------------------------|-----------------------|
| IFRS 17 Insurance contracts    | 1st January 2021      |

**2.4 Basis of measurement:**

These financial statements have been prepared under going concern assumption and historical cost convention except in respect of those financial instruments, which are presented at their fair values and properly disclosed elsewhere in the report.

The COVID-19 outbreak & resultant disruptions to economic activities may have impact on the company's operations & financial performance.

Management is in the process of carrying out detailed assessment that this event would have and pending this assessment, it would not be able to quantify the impact, this event may have on the company's operations, financial performance, liquidity, solvency as well as going concern assumption. Management of the company, based on its preliminary assessment & review, assures that it would be able to continue its operations in the foreseeable future and parent company would provide necessary financial support, as and when required. Hence these financial statements are prepared on a going concern assumption.

**ASI Global Ltd.**

**Port Louis (Mauritius)**

Notes to the financial statements for the year ended 31st March 2020

**2.5 Basis of accounting & coverage:**

The company follows the accrual basis of accounting, except for the statement of cash flows which is presented on cash basis. Under accrual basis, the transactions and events are recognized as and when they occur and are recorded in the financial statements for the period to which they relate to.

The financial statements enclosed cover the period from 1st April 2019 to 31st March 2020. Previous period figures are for the period 1st April 2018 to 31st March 2019 and have been regrouped wherever necessary.

**2.6 Functional & presentation currency:**

The financial statements are presented in United States Dollars (USD), which is also the company's functional currency. All financial information presented in USD has been rounded off to the nearest US Dollar.

**2.7 Use of estimates & judgments:**

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make estimates, judgments and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected & same are mentioned under respective accounting policy note.

**3 Significant accounting policies:**

**3.1 Changes in significant accounting policies:**

The company has applied IFRS 9 and IFRS 15 from 1st January 2019.

Due to the cumulative effect method chosen by the company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

**3.1.1 IFRS 9 Financial Instruments:**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

**Impairment of financial assets:**

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

There was no material impact on the company's financial statements for the year ended 31st March 2020.

**3.1.2 IFRS 15 Revenue from contract with customers:**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.



**ASI Global Ltd.**

**Port Louis (Mauritius)**

Notes to the interim financial statements for the period ended 31st December 2019

IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to the customer. Revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The company has adopted IFRS 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1st April 2018).

There was no material impact on the company's financial statements for the year ended 31st March 2020.

**3.2 Summary of significant accounting policies:**

The following accounting policies have been consistently applied by the management in preparation of the financial statements except where stated here under:

**3.2.1 Investment in subsidiary:**

Investment in subsidiary represents investment by the company, to enhance the company's business interest or to effectively utilize the surplus resources. Investments are classified as either long term or short-term, based on the intention of the management, at the time of their purchase.

Investment in subsidiary represents amount invested in 9,900 equity shares (i.e 99.00% beneficial ownership) of M/s. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.). Out of 99.00% beneficial ownership, 48.00% are legally owned by the company and remaining 51.00% though legally owned by Fujairah International Trading Co. L.L.C, Fujairah (U.A.E.), are beneficially owned by the company vide management and trust agreement dated 27th October 2014.

Investment in subsidiary is stated at cost less impairment, if any.

**3.2.2 Property, plant & equipment:**

The company did not have any property, plant & equipment during the year under review.

**3.2.3 Financial instruments:**

The company recognizes a financial instrument (being a financial asset or financial liability) only when the company becomes a part of the contractual provisions of the instrument. Accounting policy relevant to each type of financial instrument is as follows:

- **Cash & cash equivalents:**

Cash & cash equivalents comprise balance with banks in current accounts.

- **Other financial assets:**

Other financial assets are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all other financial assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the statement of financial position.



**ASI Global Ltd.**

**Port Louis (Mauritius)**

Notes to the financial statements for the year ended 31st March 2020

- **Other financial liabilities:**

Other financial liabilities, including borrowings, are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

A financial asset (or where applicable a part of a financial asset or a part of group of similar financial assets) is de-recognised either when:

- the rights to receive cash flows from the asset have expired or
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and the company intends to settle on a net basis.

**3.2.4 Impairment of non-financial assets:**

At each reporting date, the company reviews the carrying amounts of its non-financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

**3.2.5 Impairment of financial assets:**

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset may be impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

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If such evidence exists, any impairment loss is recognised in the statement of comprehensive income. Impairment is determined as follows:

- For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the statement of comprehensive income;
- For assets carried at cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the current market rate of return for a similar financial asset;
- For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the financial asset no longer exist or have decreased and the decrease can be related objectively to an event occurring after the impairment was recognised.

**3.2.6 Provisions & contingencies:**

Provisions are recognised when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits would be required to settle these obligations and a reliable estimate of the same can be made.

Contingent liabilities are not recognized but are disclosed in the notes to financial statements. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When likelihood of outflow is remote, no provision or disclosure is made.

**3.2.7 Revenue recognition:**

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of consideration received or receivable, excluding discounts, rebates and duties.

During the year under review it has earned income by way of interest on fixed deposits & on amount due from subsidiary company and incurred expense by way of interest on amount due to its parent company. Interest income is accounted on effective yield basis. Interest on loan from others written back represents interest which is no longer payable. Same is reversed & credit given to other income.

**3.2.8 Expenditure:**

Expenses are accounted for on the accrual basis and provisions are made for all known losses and liabilities. Expenses are presented in the statement of comprehensive income, classified according to the function of expense.

**3.2.9 Foreign currency transactions:**

- a. Transactions in foreign currency, if any, are converted into functional currency at prevailing exchange rate on the date such transactions are entered into.
- b. Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost or fair value, are translated into functional currency at the exchange rates prevailing on the date of such transaction or the date of determination of fair value respectively.
- c. Resultant loss or gain has been recognized in the statement of comprehensive income, in the year in which such assets are realized or liabilities are discharged.



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#### 4. Other significant disclosures:

##### 4.1 Related party transactions:

The company enters into transactions with another company and person that falls within the definition of a related party as per the International Financial Reporting Standards (IFRS).

The terms of trade with such related parties are based on commercial terms & conditions agreed upon with them by the management.

Related parties with whom the company has entered into transactions during the year under review comprises of directors, parent company & subsidiary company as mentioned hereunder:

| <u>Name of the related parties</u>                     | <u>Control</u> | <u>Relation</u>          |
|--|----------------|--------------------------|
| Mr. Tushya Jatia                                       | Director       | Key management personnel |
| Mr. Deepak Nemnath Jatia                               | Director       | Key management personnel |
| M/s. ASI Industries Limited, India                     | -              | Parent company           |
| M/s. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.) | -              | Subsidiary company       |

During the year under review, following transactions were entered into with related parties:

| <u>Nature of transactions</u>                  | Amount in U.S. Dollars (USD) |                |
|--|------------------------------|----------------|
|  | <u>2019-20</u>               | <u>2018-19</u> |
| <b>Other transactions:</b>                     |                              |                |
| Interest on amount due from subsidiary company | 18,986/-                     | 201,133/-      |
| Interest on amount due to parent company       | 18,986/-                     | 269,762/-      |

##### Amount due from related party:

Amount due from subsidiary company carries interest @ LIBOR + 0.50% p.a./5.16% p.a. (previous year @ LIBOR + 0.50% p.a./5.16% p.a.).

##### Amount due to related party:

Amount due to parent company carried interest @ 5.16% p.a.

#### 4.2 Financial, capital risk management & fair value information:

##### 4.2.1 Credit, liquidity & market rate risk:

###### Credit risk:

Credit risk is the risk of financial loss to the company if a customer or counter-party to a financial instrument fails to meet its contractual obligations.

The company's cash is placed with banks of repute.

The company does not have any outstanding accounts receivables & consequently no risk on this account.

###### Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when it falls due. The table below summarises the maturity profile of the company's financial liabilities on contractual undiscounted payments.

| Financial liabilities as on 31st March 2020 | Amount in U.S. Dollars (USD) |                    |                  |                  |
|---|------------------------------|--------------------|------------------|------------------|
|   | Less than 6 months           | 6 months to 1 year | 1 year & above   | Total            |
| Provisions, accruals & other liabilities    | 6,867                        | -                  | -                | 6,867            |
| Loans & advances from others                | -                            | -                  | 4,687,535        | 4,687,535        |
| <b>Total</b>                                | <b>6,867</b>                 | <b>-</b>           | <b>4,687,535</b> | <b>4,694,402</b> |



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| Financial liabilities as on 31st March 2019 | Amount in U.S. Dollars (USD) |                    |                  |                  |
|---|------------------------------|--------------------|------------------|------------------|
|   | Less than 6 months           | 6 months to 1 year | 1 year & above   | Total            |
| Amount due to related party                 | 415,929                      | 492,788            | 3,843,751        | 4,752,468        |
| Provisions, accruals & other liabilities    | 9,006                        | -                  | -                | 9,006            |
| Loans & advances from others                | -                            | -                  | 5,062,535        | 5,062,535        |
| <b>Total</b>                                | <b>424,935</b>               | <b>492,788</b>     | <b>8,906,286</b> | <b>9,824,009</b> |

**Market risk:**

Market risk is the risk that changes in market prices, such as investment prices, interest rates and currency rates will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

- **Interest rate risk:**

Interest rate risk is the risk of variability in profit due to change in interest rates on interest bearing assets and interest bearing liabilities.

Interest on amount due to parent company was @ 5.16% p.a. and interest on amount due from subsidiary company is at the rate of LIBOR + 0.50% p.a./5.16% p.a. (previous year @ LIBOR + 0.50% p.a./5.16% p.a.). Interest on loan from others carried interest @ LIBOR + 0.50% p.a. (previous year @ LIBOR+ 0.50% p.a.). Interest on fixed deposits carries interest @ 3.00% p.a.

- **Currency risk:**

Currency risk faced by the company is minimal as there are minimal foreign currency transactions. Most of the monetary assets and liabilities are denominated in United States Dollars (USD) or in United Arab Emirates Dirham (AED), which is pegged to USD.

**Other risk:**

- **Investment risk:**

The company is exposed to the risk of its investment in subsidiary not being recovered. As on the reporting date, the company's investment in subsidiary has not been impaired. However, the company is exposed to investment risk & impairment depending on the performance of the investee company.

**4.2.2 Capital management:**

The company's policy is to maintain a strong capital base so as to maintain lender and creditor confidence and to sustain future development of the business. The company is not subject to externally imposed capital restrictions.

**4.2.3 Fair value information:**

Fair value represents the amount at which an asset could be exchanged or a liability settled in an arm's length transaction, between willing & knowledgeable parties. In respect of all the company's financial assets viz cash & bank balances, receivables, advances, deposits, accrued income and liabilities viz dues to banks, payables, accruals and other non-current liabilities, in the opinion of the management, the book value approximates to their carrying value.

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Notes to the financial statements for the year ended 31st March 2020

|           |  | Amount in U.S. Dollars (USD) |            |
|-----------|--|------------------------------|------------|
|           |  | 31.03.2020                   | 31.03.2019 |
| <b>5</b>  | <b>Cash &amp; bank balances:</b>   |                              |            |
|           | Balance with banks in current accounts   | 614,190                      | 138,804    |
|           | Fixed deposit - maturing after 3 months (including accrued interest)   | 105,773                      | 102,642    |
|           |  | 719,963                      | 241,446    |
|           | Above fixed deposit represents amount placed in Bank of Baroda and the same is free of lien.   |                              |            |
| <b>6</b>  | <b>Amount due from related party:</b>  |                              |            |
|           | Due from subsidiary company (Al Rawasi Rock & Aggregate LLC)   | 0                            | 1,546,910  |
|           |  | 0                            | 1,546,910  |
|           | Amount due from subsidiary company represented loan amount which was due within one year. It carried interest @ 5.16% p.a.   |                              |            |
| <b>7</b>  | <b>Amount due from related party:</b>  |                              |            |
|           | Due from subsidiary company (Al Rawasi Rock & Aggregate LLC)   | 1,611,311                    | 5,691,869  |
|           |  | 1,611,311                    | 5,691,869  |
|           | a. Amount due from subsidiary company of Nil/- (previous year 3,843,751/-) represents loan taken by ultimate parent company (i.e. ASI Industries Limited (India) for onward lending to the ultimate subsidiary company (i.e. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.)). It carried interest @ 5.16% p.a.  |                              |            |
|           | b. Balance loan amount of 1,611,311/- (previous year 1,848,118/-) carries interest @ LIBOR + 0.50% p.a. (previous year @ LIBOR + 0.50% p.a.).  |                              |            |
| <b>8</b>  | <b>Investments in subsidiary:</b>  |                              |            |
|           | Investment in subsidiary (at cost)   | 5,949,675                    | 5,949,675  |
|           |  | 5,949,675                    | 5,949,675  |
|           | Investment in subsidiary represents amount invested in 9,900 equity shares (i.e 99.00% beneficial ownership) of M/s. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.). Out of 99.00% beneficial ownership, 48.00% are legally owned by the company and remaining 51.00% though legally owned by Fujairah International Trading Co. L.L.C, Fujairah (U.A.E.), are beneficially owned by the company vide management and trust agreement dated 27th October 2014. |                              |            |
| <b>9</b>  | <b>Amount due to related party:</b>  |                              |            |
|           | Due to parent company  | 0                            | 908,717    |
|           |  | 0                            | 908,717    |
|           | Amount due to parent company represented loan amount which is due within one year. It carried interest @ 5.16% p.a.  |                              |            |
| <b>10</b> | <b>Provisions, accruals &amp; other liabilities:</b>   |                              |            |
|           | Accrued expenses   | 6,867                        | 9,006      |
|           |  | 6,867                        | 9,006      |

## ASI Global Ltd.

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Notes to the financial statements for the year ended 31st March 2020

|           |  | Amount in U.S. Dollars (USD) |               |
|-----------|--|------------------------------|---------------|
|           |  | 31.03.2020                   | 31.03.2019    |
| <b>11</b> | <b>Amount due to related party:</b>  |                              |               |
|           | Due to parent company  | 0                            | 3,843,751     |
|           |  | 0                            | 3,843,751     |
|           | Amount due to parent company represented loan taken by parent company for onward lending to the ultimate subsidiary company (i.e. Al Rawasi Rock & Aggregate LLC, Fujairah (U.A.E.)). It carried interest @ 5.16% p.a. |                              |               |
| <b>12</b> | <b>Loans &amp; advances from others:</b>   |                              |               |
|           | Loan from others   | 4,687,535                    | 5,062,535     |
|           |  | 4,687,535                    | 5,062,535     |
|           | Loan from others carries interest @ LIBOR + 0.50% p.a. (previous year @ LIBOR + 0.50% p.a.).   |                              |               |
| <b>13</b> | <b>Share capital:</b>  |                              |               |
|           | Share capital  | 4,150,000                    | 4,150,000     |
|           |  | 4,150,000                    | 4,150,000     |
|           | Share capital comprises of 4,150,000 fully paid equity shares of 1/- each (previous year 4,150,000 fully paid equity shares of 1/- each).  |                              |               |
| <b>14</b> | <b>Reserves &amp; surplus:</b>   |                              |               |
|           | Accumulated (losses)   | (563,453)                    | (544,109)     |
|           |  | (563,453)                    | (544,109)     |
| <b>15</b> | <b>Other income:</b>   | 01.04.2019 to                | 01.04.2018 to |
|           |  | 31.03.2020                   | 31.03.2019    |
|           | Interest on fixed deposit  | 3,131                        | 3,345         |
|           | Interest on amount due from subsidiary company   | 18,986                       | 201,133       |
|           | Interest on loan from others written back  | 0                            | 230,180       |
|           |  | 22,117                       | 434,658       |
| <b>16</b> | <b>Administrative costs:</b>   |                              |               |
|           | Office & other expenses  | 22,198                       | 21,206        |
|           |  | 22,198                       | 21,206        |
| <b>17</b> | <b>Finance costs:</b>  |                              |               |
|           | Bank charges   | 277                          | 616           |
|           | Interest on amount due to parent company   | 18,986                       | 269,762       |
|           |  | 19,263                       | 270,378       |



**ASI Global Ltd.**

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Notes to the financial statements for the year ended 31st March 2020

|  | Amount in U.S. Dollars (USD) |            |
|--|------------------------------|------------|
|  | 31.03.2020                   | 31.03.2019 |
| <b>18 Cash &amp; cash equivalents:</b> |                              |            |
| Balance with banks in current accounts | 614,190                      | 138,804    |
|  | <hr/>                        | <hr/>      |
|  | 614,190                      | 138,804    |

**19 Contingent liabilities:**

Except for ongoing business commitments against which no loss is expected, there has been no known contingent liability or commitments as on reporting date.

**20 Events occurring after the reporting date:**

There were no significant events occurring after the reporting date which will have any material effect on the working or the financial statements of the company.