

**TIME CAP OVERSEAS LIMITED**

**FINANCIAL STATEMENTS**  
**31 MARCH 2022**

**CHARTIST ASSOCIATES**  
**CHARTERED CERTIFIED ACCOUNTANTS**

**TIME CAP OVERSEAS LIMITED**  
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COMPANY INFORMATION

		<b>Date of appointment</b>
<b>DIRECTORS</b>	:	
	:	08/11/2010
	:	24/11/2014
	:	27/04/2020
<b>ADMINISTRATOR AND SECRETARY</b>	:	
	:	C/o IQ EQ Fund Services (Mauritius) Ltd 33, Edith Cavell Street, Port-Louis, 1132a MAURITIUS
<b>REGISTERED OFFICE</b>	:	
	:	C/o IQ EQ Fund Services (Mauritius) Ltd 33, Edith Cavell Street, Port-Louis, 1132a MAURITIUS
<b>AUDITORS</b>	:	
	:	Charist Associates 4 Stein Street, Beau Bassin, MAURITIUS
<b>BANKER</b>	:	
	:	SBM Bank (Mauritius) Ltd SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, MAURITIUS

**COMMENTARY OF THE DIRECTORS**

The directors are pleased to present their commentary and the audited separate financial statements of Time Cap Overseas Limited (the “Company”) for the year ended 31 March 2022.

**Principal activity**

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

**Results and dividends**

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

The Company did not declare any dividend during the year (2021: Nil).

**Statement of directors’ responsibilities in respect of separate financial statements**

Company law requires the directors to prepare separate financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those separate 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 separate 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 separate financial statements comply with the Mauritius Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have assessed the Company’s ability to continue as a going concern as explained in Note 14.

The directors have confirmed that they have complied with the above requirements and considered the impact of COVID-19 in preparing the separate financial statements as disclosed in note 15.

**Auditors**

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

**For and on Behalf of the Board**



**Director**





Know how Know you

**TIME CAP OVERSEAS LIMITED  
SECRETARY'S CERTIFICATE – YEAR ENDED 31 MARCH 2022**

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**SECRETARY'S CERTIFICATE  
TO THE MEMBERS OF TIME CAP OVERSEAS LIMITED**

**UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of TIME CAP OVERSEAS LIMITED under the Mauritius Companies Act 2001 during the financial year ended 31 March 2022.

*Secretary*

*C/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius  
Registered Office*

*Date* **23 MAY 2022**

**IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port-Louis, 11324, Mauritius**

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Regulated by the Financial Services Commission as holder of a management licence. Licence type – FS-3.1A Management Licence  
Incorporated in Mauritius No: BRN C09004928.

## INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of TIME CAP OVERSEAS LIMITED*

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of *TIME CAP OVERSEAS LIMITED* ("Company") on pages 7 to 28, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 March 2022, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion:

- (a) the financial statements on pages 7 to 28:
  - (i) have been prepared in accordance with and comply with International Financial Reporting Standards;
  - (ii) give a true and fair view of the matters to which they relate;
  - (iii) present fairly the financial position of the Company at 31 March 2022 and its financial performance, changes in equity and cash flows for the year ended on that date; and
  - (iv) comply with the Mauritian 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"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Responsibilities of the Directors for the Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and comply with the Companies Act 2001, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT**

*To the Shareholder of TIME CAP OVERSEAS LIMITED (Continued)*

### **Report on the Audit of the Financial Statements (Continued)**

*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.

This opinion has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Companies Act 2001 and for no other purposes.

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 a collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Shareholder of TIME CAP OVERSEAS LIMITED (Continued)*

### Report on the Audit of the Financial Statements (Continued)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 information*

The directors are responsible for the other information. The other information comprises the company information, Commentary of the directors and secretary certificate as required by the Companies act, 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.

### Report on Other legal and Regulatory Requirements

*Companies Act 2001*

We have no relationship with or interest in the Company other than in our capacity as auditor.

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

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

  
CHARTIST ASSOCIATES  
CHARTERED CERTIFIED ACCOUNTANTS  
BEAU BASSIN

  
K. WONG KEE CHUAN - FCCA, ACA  
SIGNING PARTNER  
Licensed by FR

Date: 23 MAY 2022



TIME CAP OVERSEAS LIMITED  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

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	Notes	2022 USD	2021 USD
<b><u>ASSETS</u></b>			
<b><u>Non- Current Assets</u></b>			
Investment in subsidiary	(7)	2,12,89,986	1,75,89,986
<b><u>Intangible Assets</u></b>			
Sweat Equity	(8)	54,181	5,54,181
<b><u>Total Non-Current Assets</u></b>		<b>2,13,44,167</b>	<b>1,81,44,167</b>
<b><u>Current Assets</u></b>			
Cash In Hand And At Bank		29,309	34,469
<b><u>Total Current Assets</u></b>		<b>29,309</b>	<b>34,469</b>
<b><u>Total Assets</u></b>		<b>2,13,73,476</b>	<b>1,81,78,636</b>
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b><u>Equity</u></b>			
Stated Capital	(13)	2,27,20,090	1,90,20,090
Accumulated Losses		(13,48,554)	(8,43,454)
<b><u>Total Equity</u></b>		<b>2,13,71,536</b>	<b>1,81,76,636</b>
<b><u>Current Liabilities</u></b>			
Other Payables	(10)	1,940	2,000
<b><u>Total Equity And Liabilities</u></b>		<b>2,13,73,476</b>	<b>1,81,78,636</b>

Approved by the Board of Directors on 23 May, 2022

Directors : [Signature]

The notes on pages 11 to 28 form part of these financial statements.



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

<u>Notes</u>	<u>2022</u> <u>USD</u>	<u>2021</u> <u>USD</u>
<b>Revenue</b>		
Interest Income	-	2500
Excess Provision Written Off	-	2000
	<u>-</u>	<u>4,500</u>
<b>Expenses:</b>		
<u>Administrative Expenses</u>	4,615	6,146
<u>Finance Costs</u>	485	94,010
<u>Impairment of Sweat Equity</u>	500,000	-
<b>Total Operating Expenses</b>	<u>505,100</u>	<u>100,156</u>
<b>Net Loss For The Year</b>	<b>(505,100)</b>	<b>(95,656)</b>
<u>Less: Taxation</u>	-	-
<b>Net Loss After Tax</b>	<b>(505,100)</b>	<b>(95,656)</b>
<u>Other Comprehensive Income</u>	-	-
<b>Total Comprehensive Loss For The Year</b>	<b><u>(505,100)</u></b>	<b><u>(95,656)</u></b>

The notes on pages 11 to 28 form part of these financial statements.

**TIME CAP OVERSEAS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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	<u>Stated</u> <u>Capital</u> <u>USD</u>	<u>Accumulated</u> <u>Losses</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<b>Balance At 01 April 2021</b>	11,920,090	(747,798)	11,172,292
Net (Loss) for the year	-	(95,656)	(95,656)
Issued Share Capital	7,100,000	-	7,100,000
<b>Balance At 31 March 2022</b>	<u>19,020,090</u>	<u>(843,454)</u>	<u>18,176,636</u>
<b>Balance At 01 April 2021</b>	19,020,090	(843,454)	18,176,636
Net (Loss) for the year	-	<b>(505,100)</b>	<b>(505,100)</b>
Issued Share Capital	<b>3,700,000</b>	-	<b>3,700,000</b>
<b>Balance At 31 March 2022</b>	<u>22,720,090</u>	<u>(1,348,554)</u>	<u>21,371,536</u>

The notes on pages 11 to 28 form part of these financial statements.

**TIME CAP OVERSEAS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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	<u>2022</u> <u>USD</u>	<u>2021</u> <u>USD</u>
<b><u>OPERATING ACTIVITIES</u></b>		
Net Loss For The Year	(505,100)	(95,656)
<b><u>Operating Loss Before Working Capital Changes</u></b>	<u>(505,100)</u>	<u>(95,656)</u>
Decrease in Other Receivables	-	618,625
(Decrease) / Increase in Payables	(60)	(139,631)
Impairment of Sweat Equity	500,000	
<b><u>Cash (Used in) / Generated From Operations</u></b>	<u>(5,160)</u>	<u>383,338</u>
<b><u>Investing Activities</u></b>		
Purchase of investment	(3,700,000)	(2,336,125)
Increase In Share Capital	3,700,000	7,100,000
(Decrease) / Increase in Share Application Money	-	(1,350,000)
(Decrease) / Increase in Borrowings	-	(3,830,000)
<b><u>Net (Decrease) / Increase In Cash &amp; Cash Equivalents</u></b>	<u>(5,160)</u>	<u>(32,787)</u>
<b><u>Cash &amp; Cash Equivalents</u></b>		
At Beginning Of Year	34,469	67,256
At End Of Year	29,309	34,469
<b><u>Net (Decrease) / Increase In Cash &amp; Cash Equivalents</u></b>	<u>(5,160)</u>	<u>(32,787)</u>

The notes on pages 11 to 28 form part of these financial statements.

**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

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**1. CORPORATE INFORMATION**

Time Cap Overseas Limited is a private limited liability company and the company has been granted a Global Business Licence Category 2 under the Financial Services Commission Act 2007, now an Authorised Company. The Company is presenting its Financial Statements for the year ended 31 March 2022.

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

**2. BASIS OF PREPARATION**

**a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by International Accounting Board ("IASB") and Mauritius Companies Act, 2001.

**b) Basis of measurement**

The financial statements have been prepared using the going concern principle under the historical cost basis except for where otherwise stated.

**c) Functional and presentation currency**

The financial statements of the Company are presented in USD, which is the Company's functional currency. All financial information presented in USD have been rounded to the nearest dollar unless otherwise stated.

**d) Use of estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are provided in note 4.

**e) Going concern**

Management of the Company is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**f) New standards, amendments and interpretations adopted during the year**

There has been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

**COVID-19-Related Rent Concessions (Amendments to IFRS 16)**

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

**2. BASIS OF PREPARATION (CONTINUED)**

**f) New standards, amendments and interpretations adopted during the year (continued)**

**COVID-19-Related Rent Concessions (Amendments to IFRS 16) (continued)**

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021;
- subsequent amendment released in March 2021 has extended this date to 30 June 2022) and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and  
the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The original version of the practical expedient was, and remains, optional. However, the subsequent amendment is, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendment would have to consistently apply the extension to similar rent concessions.

The subsequent amendment is applicable retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f)1 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application of the subsequent amendment. Lessees may need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendment but becomes eligible as a result of the extension.

The amendments are effective for periods beginning on or after 1 June 2020 (the subsequent amendment is effective on or after 1 April 2021), with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

**Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments)**

Under the detailed rules of IFRS 9 Financial Instruments, modifying a financial contract can require recognition of a significant gain or loss in the income statement. However, the amendments introduce a practical expedient if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 Leases for lessees when accounting for lease modifications required by IBOR reform.

The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting.

The following disclosures will also be necessary:

- the nature and extent of risks to which the company is exposed arising from financial instruments subject to IBOR reform and how it manages those risks; and
- the company's progress in completing its transition to alternative benchmark rates and how it is managing that transition.

The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in the financial statements except for new standards, amendments and interpretations adopted during the year as disclosed in notes 2(f).

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Foreign currency translation**

Transactions in foreign currencies are translated into the respective functional currency company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of profit or loss within finance cost.

Foreign exchange gains and losses relating to the financial assets at fair value through profit or loss are presented in the statement of profit or loss within 'other net changes in fair value on financial assets at fair value through profit or loss'.

#### **Investments in subsidiaries**

##### **Subsidiaries**

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

IFRS 10 requires all parent entities to present consolidated financial statements, other than:

- parent entities that are investment entities. These are an exception to consolidation if they are required (in accordance with IFRS 10.31) to measure all of their subsidiaries at fair value through profit or loss [IFRS 10.4B]. Refer to section 6 on investment entities
- intermediate parent entities that meet the strict conditions for exemption, which are set out below:

A parent is not required to present consolidated financial statements if it meets all the following conditions:

- it is a wholly-owned subsidiary or is a partially-owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements
- its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets)
- it did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and
- its ultimate or any intermediate parent produces financial statements that are available for public use and comply with IFRSs, in which subsidiaries are consolidated or measured at fair value through profit or loss in accordance with this IFRS.

The Company has taken advantage of paragraph 4 of IFRS 10, Consolidated Financial Statements, which dispenses it from the need to present consolidated financial statements, as its parent company, presents consolidated financial statements in accordance with IFRS.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Impairment of non-financial assets**

The carrying amounts of non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in prior periods are assessed at each balance sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **(i) Recognition and initial measurement**

Financial assets at FVOCI (debt instruments) are recognised initially when they are originated.

Other financial assets and liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

##### **(ii) Classification**

###### *Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI).

###### Financial assets at FVTPL

Financial assets which are managed and whose performance is evaluated on a fair value basis and those are not classified as measured at amortised cost or FVOCI as described below are measured at FVTPL. This includes investments in equity securities.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The election made on an investment-by-investments basis. The Company has not elected to designate equity instruments at FVOCI at the time of initial recognition.

###### Financial assets at amortised cost

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

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



**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

(ii) Classification (continued)

Financial assets at amortised cost (continued)

This category includes cash and cash equivalents.

Debt investments at FVOCI

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

This includes investments in debt securities.

*Business Model assessment*

In making an assessment of the objective of the business model in which a financial asset is held at a portfolio level, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- periods, the reasons for such sales and expectations about future sales activity.
- how managers of the businesses are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.

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

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, Loan receivable from related party and other receivables. These financial assets are held to collect contractual cash flows.
- Held-to-collect and sell business model: this included debt securities at FVOCI.
- Other business model: These financial assets are managed, and their performance is evaluated, on a fair value basis, with frequent sales taking place.

*Assessment of whether contractual cash flows are solely payments of principal and interest*

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

**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

(ii) Classification (continued)

*Assessment of whether contractual cash flows are solely payments of principal and interest(continued)*

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

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

(iii) Subsequent measurement

Category	Subsequent measurement
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any foreign exchange are recognised in profit or loss as 'other net changes in fair value on financial assets at fair value through profit or loss' in statement of profit or loss. Dividend income on such instruments has been disclosed as a separated line item in statement of profit or loss.
Financial assets at fair value through other comprehensive income [Debt securities]	These assets are subsequently measure at fair value. Interest income calculated using the effective interest method, impairment losses are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'Interest income calculated using effective interest method' and impairment is recognised in 'impairment loss on financial assets at amortised cost' is recognised in separate line item in profit or loss. Any gain or loss on derecognition and modification is also recognised in profit or loss.
Financial liabilities at amortised cost	These financial liabilities are subsequently measured at effective cost using the effective interest rate.

(iv) Fair value measurement

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

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participant would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred. The fair value of the financial instruments that are not traded in active markets is determined by using valuation techniques. The Company has used its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the reporting date. The principles of the International Private Equity and Venture Capital Valuation Guidelines have been used for the valuation of the financial assets at FVTPL. Note 7 provides details of the valuation techniques that the Company has applied.

**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

(v) Amortised cost measurement

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

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses.

(vi) Impairment

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

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

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

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

The Company considers a financial asset to be in default:

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

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

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

*Measurement of ECLs*

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

**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial instruments (continued)**

(vi) Impairment (continued)

*Measurement of ECLs (continued)*

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

*Credit-impaired financial assets*

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

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

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

*Presentation of allowance for ECLs in the statement of financial position*

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

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

*Write-off*

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

(vii) Derecognition and modification

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Realised gain is calculated based on proceeds realised on disposal of investments less its cost. The cost is based on an average cost.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **Financial instruments (continued)**

##### **(vii) Derecognition and modification (continued)**

The Company recalculates the gross carrying amount of financial assets and recognises a modification gain or loss in profit or loss when the contractual cash flows are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate.

##### **(viii) Offsetting**

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

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

There is no offsetting of financial instruments applied as on reporting in the statement of financial position.

##### **(ix) Specific instruments**

#### **Cash and cash equivalents**

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Company has elected to present the statement of cash flows using the indirect method.

#### **Stated capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of tax effects.

#### **Taxation**

The tax expense for the year comprises current, withholding and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements.

Deferred tax is not recognised for:

- temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Company is able to control the timing of reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Financial instruments (continued)**

(ix) Specific instruments (continued)

***Taxation (continued)***

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

***Dividend income***

Dividend income is recognised in profit or loss on the date that the right to receive payment is established. For unquoted securities, this is usually the date when the shareholders have approved the payment of a dividend. Dividend income from equity securities at fair value through profit or loss is recognised in profit or loss as a separate line item.

The Company has chosen to classify dividend income received under operating activities in the cash flow statement because they result directly from holding short positions as part of the operating activities of the Company.

***Expense recognition***

Expenses are accounted in profit or loss on an accrual basis and in accordance with the substance of relevant agreements. Transaction costs on financial assets at FVTPL are expensed as incurred in the statement of profit or loss and other comprehensive income.

***Finance cost***

The finance cost includes interest expense calculated using the effective interest method and foreign exchange gain or losses on cash and cash equivalents.

#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgements in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition, therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgements 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

##### ***Critical judgement areas***

###### *Determination of functional currency*

Functional currency' is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions.

The Company's investments and transactions are denominated in, United States Dollar, Mauritian Rupee and Indian Rupee. The primary objective of the Company is to generate returns and capital growth in USD for the benefit of its shareholder. The assets and liabilities of the Company and the cash flows are predominantly USD denominated. The Company's performance is also evaluated in USD. The determination of the Company's functional currency is determined based on management's significant judgement in assessing the economic environment in which the Company operates.

Accordingly, management has to exercise significant judgement in determining the functional currency resulting from use of different foreign currencies in the Company's operations.

##### ***Estimates and assumptions***

###### *Fair valuation of financial assets at fair value through profit or loss*

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through profit or loss amounting to USD 21,344,167 (2021: USD 18,144,167). Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Company's management. The management's evaluation takes into consideration a business review of the underlying investments (performance development compared with plans) and the actual and planned transactions in the investments.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of estimation depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. This results in management exercising significant assumption on the unobservable inputs being used for fair valuation.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a close-price.

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

**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

(ix) Specific instruments (continued)

*Impairment of financial assets*

The impairment of financial assets disclosed in note 9 are based on assumptions about risk of default and expected loss rates. The Company uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of key assumptions and inputs used.

*Impairment of investments in subsidiaries*

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

*Going concern*

The directors are of the opinion that the Company has adequate resources to continue operations for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the Company's financial statements. The directors have satisfied themselves that the Company is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

**5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

*Annual Improvements to IFRS Standards 2018-2020*

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

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

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

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

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

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendment is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments are to be applied retrospectively from the effective date.



**TIME CAP OVERSEAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – YEAR ENDED 31 MARCH 2022**

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**5. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ISSUED BUT NOT YET EFFECTIVE**

*Definition of accounting estimates (Amendments to IAS 8)*

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

*Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company’s financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity’s financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023 but may be applied earlier.

**TIME CAP OVERSEAS LIMITED**  
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**6. FINANCIAL RISK MANAGEMENT**

**6.1 FINANCIAL RISK FACTORS**

The Company's activities expose it to a variety of financial risks:

- Market price risk (which includes interest rate risk, currency risk and equity price risk)
- Credit risk
- Liquidity risk

*Interest rate risk*

The Company's interest rate risk arises from long-term borrowings. The directors do not believe that the Company is significantly affected by movement in variable interest rates and has decided not to disclose interest rate sensitivity analysis.

*Currency risk*

The directors do not consider currency risk to have a material impact on the financial statements.

*Equity price risk*

The Company is exposed to risk associated with the effects of fluctuation in the prevailing levels of market on its financial position and cash flows. The directors believe that the Company is not subject to equity price risk.

*Credit risk*

The Company's credit risk is primarily attributable to its cash and cash equivalents.

*Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The maturity profile of the financial instruments is summarized as follows:

	<u>2022</u> <u>USD</u>	<u>2021</u> <u>USD</u>
<b><u>Financial assets</u></b>		
Cash In hand And at Bank	<u>29,309</u>	<u>34,469</u>
	<u>29,309</u>	<u>34,469</u>
<b><u>Financial Liabilities</u></b>		
Other Payables	<u>1,940</u>	<u>2,000</u>
	<u>1,940</u>	<u>2,000</u>

**6. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**6.2 FAIR VALUE ESTIMATION**

The nominal value less estimated credit adjustments to trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for the similar financial instruments.

### **6.3 CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are:

To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

To make adjustments to its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders or sell assets to reduce debt.

<b>7. INVESTMENT IN SUBSIDIARY</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
<b><u>Unquoted Investment- at Cost</u></b>		
Opening Balance At 01 April	17,589,986	15,253,861
Additions During The Period	3,700,000	2,336,125
Closing Balance At 31 March	<u>21,289,986</u>	<u>17,589,986</u>

Details of the subsidiary are as follows:

<i>Name of company issues @1 BRL each</i>	<i>Number of shares held</i>		<i>Class of Shares</i>	<i>% Holdings</i>		<i>Country of Incorporation</i>	<i>Activities of Investee</i>
	<i>2022</i>	<i>2021</i>		<i>2022</i>	<i>2021</i>		
NATCO farma DO Brazil	79,542,521	58,600,521	Ordinary	85.86%	81.73%	Brasil	Pharmaceutical

The company owns 85.86% equity shares issued @1/- BRL each of NATCO farma Do Brazil and has control over its activities.

<b>8. INTANGIBLE ASSETS</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
<b><u>Sweat Equity Cost</u></b>		
At 01 April	554,181	554,181
Additions	-	-
Impairment	(500,000)	-
At 31 March	<u>54,181</u>	<u>554,181</u>

Intangible assets relate to 500,000 sweat equity issued to Mr Venkatachari Madhusudhan which has been impaired this year and 54,181 represents premium on initial investment in Brasil

<b>9. ADVANCE TO SUBSIDIARY</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Natcofarma do Brasil Ltd	3,700,000	-
* Less: Allotment of Quotas during the FY	(3,700,000)	-
Balance as on 31 March 2022	<u>-</u>	<u>-</u>

\* On 24 December 2021, the company has made capital advance of USD 3,700,000/- in Natcofarma Do Brasil Ltd towards investment for purchase of security @1/-BRL each for which allotment was made on 04 Jan 2022.

<b>10. OTHER PAYABLES</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Audit Fee Payable	1,500	2,000
Other Payable	440	-
	<u>1,940</u>	<u>2,000</u>

<b>11. FINANCIAL SUMMARY</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
	<b><u>USD</u></b>	<b><u>USD</u></b>
Issued Share Capital	22,720,090	19,020,090
Accumulated Losses	(1,348,554)	(843,454)
Loss Before Taxation	(505,100)	(95,656)
Loss After Taxation	(505,100)	(95,656)

12. SHAREHOLDERS' EQUITY

Authorised Share Capital Equity share of USD 10 each Shareholders	As at 31 March 2022			As at 31 March 2021		
	Number	Amount \$	%	Number	Amount \$	%
NATCO Pharma Ltd	<u>2,272,009</u>	<u>22,720,090</u>	100%	<u>1,902,009</u>	<u>19,020,090</u>	100%
	<u>2,272,009</u>	<u>22,720,090</u>	100%	<u>1,902,009</u>	<u>19,020,090</u>	100%

An amount of USD 3,700,000 was received on 24 Dec-2021 from the parent company NATCO Pharma Limited-India for which the company made allotment for 370,000 shares at par @USD 10/- each, vide Share Certificate No.43 dated 24 December 2021 was issued as per the Board Resolution dated 21 December 2021.

13. STATED CAPITAL

	<u>2022</u>	<u>2021</u>
	USD	USD
At 01 April	<b>19,020,090</b>	11,920,090
Additions during the period	<b>3,700,000</b>	7,100,000
At 31 March	<u><b>22,720,090</b></u>	<u>19,020,090</u>

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**14. GOING CONCERN**

The Company has made loss of **USD 5,100** (2021: loss of USD 95,656) for the year ended 31 March 2022, however, the Company is in net current assets position as its total current assets exceeded its total current liabilities by **USD 27,369** (2021: Net current assets of USD 32,469) as of that date.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern basis. This basis presumes that the funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

**15. IMPACT OF COVID-19**

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outstanding breakthrough by the scientific community for the development of several vaccines had been critical tools in tackling the pandemic. As we are entering the post pandemic era with the emergence of vaccines, the toll of the pandemic on economies has started to diminish. At 31 December 2021, the Directors have assessed that the impact of COVID-19 on the Company's business activities was minimal.

The operating companies have sufficient cash and access to resources to meet its obligations for the next 12 months from the date of the approval of financial statements. The performance of its underlying investments has also not been significantly impacted by COVID-19.

Hence, it is considered that there is no material adverse impact of COVID-19 on the financial statements.

**16. EVENTS AFTER THE REPORTING YEAR**

There are no significant events after the reporting date which need disclosures in or amendments to the financial statements for the year ended 31 March 2022.

**TIME CAP OVERSEAS LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Appendix 1**

**2022**                      **2021**  
**USD**                        **USD**

**ADMINISTRATIVE EXPENSES**

Audit Fee	<b>2,500</b>	3,500
Postage & General Expenses	<b>450</b>	300
Legal and Professional fees	<b>1,665</b>	2,346
	<b><u>4,615</u></b>	<u>6,146</u>

**FINANCE COSTS**

Bank Charges	<b>485</b>	920
Interest On loan	-	93,090
	<b><u>485</u></b>	<u>94,010</u>