

Britannia Dairy Holdings Pvt Ltd

Audited Financial Statements

For the year ended 31 March 2016

Britannia Dairy Holdings Pvt Ltd

**Audited Financial statements
for the year ended 31 March 2016**

<i>Contents</i>	<i>Page</i>
Corporate data	1
Commentary of directors	2
Independent auditors' report	3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to and forming part of the audited financial statements	8-15

Britannia Dairy Holdings Pvt Ltd
31 March 2016
Corporate data

		Date Appointed	Date Resigned
Directors:	Subiraj Gujadhur	25 July 2011	-
	Tahleb Mahmad Rujub	25 July 2011	-
	Varun Berry	25 June 2014	-
	Amlan Datta Majumdar	15 June 2015	-
Registered agent:	Apex Fund Services (Mauritius) Ltd <i>Up to 24 December 2015:</i> 4 th Floor, Raffles Tower 19 Cybercity, Ebene Republic of Mauritius <i>With effect from 25 December 2015:</i> 4 th Floor, 19 Bank Street Cybercity, Ebene 72201 Republic of Mauritius		
Registered office:	<i>Up to 24 December 2015:</i> 4 th Floor, Raffles Tower 19 Cybercity, Ebene Republic of Mauritius <i>With effect from 25 December 2015:</i> 4 th Floor, 19 Bank Street Cybercity, Ebene 72201 Republic of Mauritius		
Auditors:	Navy and Yan West View 192 L M Road Glen Park, Vacoas Republic of Mauritius		
Banker:	HSBC Bank (Mauritius) Limited 6 th Floor HSBC Centre 18 Cybercity Ebene Republic of Mauritius		

Britannia Dairy Holdings Pvt Ltd

**Commentary of directors
for the year ended 31 March 2016**

The directors are pleased to present their commentary together with the audited financial statements of Britannia Dairy Holdings Pvt Ltd (the "Company") for the year ended 31 March 2016. The financial statements have been prepared for non-statutory purposes.

Principal activity

The principal activity of the Company is to hold 'Dairy Trade Marks'.

Results and dividend

The results for the year are shown on page 4.

The directors do not recommend the payment of dividend for the year under review (2015: nil).

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 applicable to a company holding a Category 2 Global Business Licence, as described in note 1 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 errors selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

Auditors

The auditors, Navy and Yan, have indicated their willingness to continue in office.



Public Accountants and Knowledge Managers

Independent auditors' report to the shareholder of Britannia Dairy Holdings Pvt Ltd

This report is made solely to the company's shareholder. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Britannia Dairy Holdings Pvt Ltd (the "company") set out on pages 4 to 15 which comprise the Statement of Financial Position as at 31 March 2016 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 2 Global Business Licence. 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 appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The financial statements have been prepared in accordance with International Financial Reporting Standards although not a present statutory requirement for the Company.

Auditors' responsibilities

It is our responsibility to form an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 31 March 2016, and of its financial performance and cash flows for the year then ended, and comply with the International Financial Reporting Standards.

Navy and Yan
Public Accountants
Vacoas
Date:

Y. Nath Varma FCCA DEFFM PhD
Licensed by FRC

Britannia Dairy Holdings Pvt Ltd

**Statement of profit or loss and other comprehensive income
for the year ended 31 March 2016**

	Note	2016 USD	2015 USD
Expenses			
Amortisation of intangible asset		381,615	381,615
Payables written back		(635)	(5,183)
Professional fees		3,150	3,183
Directors' remuneration		2,000	2,000
Total Expenses		<u>(385,930)</u>	<u>(381,615)</u>
Loss before taxation		(385,930)	(381,615)
Taxation	4	-	-
Loss for the year		(385,930)	(381,615)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(385,930)</u>	<u>(381,615)</u>

The notes on pages 8 to 15 form part of these financial statements.

Britannia Dairy Holdings Pvt Ltd

Statement of financial position
As at 31 March 2016

	Note	2016 USD	2015 USD
ASSETS			
Non current assets			
Intangible Asset	5	<u>3,434,535</u>	<u>3,816,150</u>
Current assets			
Accounts receivable	6	<u>783</u>	<u>783</u>
Total assets		<u>3,435,318</u>	<u>3,816,933</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	7	<u>7,413,000</u>	<u>7,413,000</u>
Accumulated losses		<u>(3,984,147)</u>	<u>(3,598,217)</u>
Shareholders' fund		<u>3,428,853</u>	<u>3,814,783</u>
Current liabilities			
Accounts payable	8	<u>6,465</u>	<u>2,150</u>
Total liabilities		<u>6,465</u>	<u>2,150</u>
Total equity and liabilities		<u>3,435,318</u>	<u>3,816,933</u>

These financial statements have been approved by the Board of Directors on **02 JUN 2016** and signed on behalf of the board by:

The notes on pages 8 to 15 form part of these financial statements.

Britannia Dairy Holdings Pvt Ltd

**Statement of changes in equity
for the year ended 31 March 2016**

	Share capital	Accumulated losses	Total
	USD	USD	USD
At 01 April 2014	7,413,000	(3,216,602)	4,196,398
<i>Total comprehensive loss for the year</i>			
Loss for the year	-	(381,615)	(381,615)
At 31 March 2015	<u>7,413,000</u>	<u>(3,598,217)</u>	<u>3,814,783</u>
<i>Total comprehensive loss for the year</i>			
Loss for the year	-	(385,930)	(385,930)
At 31 March 2016	<u>7,413,000</u>	<u>(3,984,147)</u>	<u>3,428,853</u>

The notes on pages 8 to 15 form part of these financial statements.

Britannia Dairy Holdings Pvt Ltd

**Statement of cash flows
for the year ended 31 March 2016**

	2016 USD	2015 USD
Cash flows from operating activities		
Loss for the year	(385,930)	(381,615)
Adjustment for:		
Amortisation charge	381,615	381,615
	<u>(4,315)</u>	<u>-</u>
Changes in working capital		
Decrease in trade and other receivables	-	-
Increase in trade and other payables	4,315	-
Net cash from operating activities	<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at start of the year	-	-
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The notes on pages 8 to 15 form part of these financial statements.

Britannia Dairy Holdings Pvt Ltd

**Notes to and forming part of the audited financial statements
for the year ended 31 March 2016**

1. General information

Britannia Dairy Holdings Pvt Ltd (the "Company"), previously known as Britannia New Zealand Holdings Pvt Ltd, is a company, incorporated under the laws of Mauritius on 23 March 2005, as a private company limited by shares, regulated and licensed by the Financial Services Commission as a Category 2 Global Business Licence Company under the Financial Services Act 2007. The Registered office and main place of business of the Company is 4th Floor, 19 Bank Street, Cybercity 72201, Ebene, Republic of Mauritius.

The main activity of the Company is to hold 'Dairy Trade Marks'.

2. Basis of preparation

(a) Basis of preparation of financial statements

The Company's financial statements comply with the requirements of the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

3. Significant accounting policies

New standards, interpretations and amendments to published standards

(i) New standards effective and adopted during the year

The IASB issued two cycles of annual improvements, namely, 2010-2012 annual improvements and 2011-2013 annual improvements, following which a number of standards were amended. None of the above amendments are likely to have a material impact on the financial statements of the Company.

Britannia Dairy Holdings Pvt Ltd

**Notes to and forming part of the audited financial statements
for the year ended 31 March 2016**

3. Significant accounting policies (continued)

(ii) New standards and interpretations not yet adopted

Financial Instruments (2014): A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets. Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

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

(a) Revenue

Royalties are recognised provided that it is probable that the economic benefits will flow to the enterprise and the amount of revenue can be measured reliably on an accruals basis in accordance with the substance of the relevant agreement. The company did not derive income from Royalties during the year.

(b) Financial Instruments

Non-derivative financial assets

The Company classifies accounts receivable as non-derivative financial assets.

Accounts receivable

Accounts receivable are recognised initially at cost and subsequently at fair value, if this can be calculated, plus any directly attributable transaction costs less any impairment losses.

Accounts payable

Accounts payable are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, unless this is not appropriate, in which case they are measured at cost.

Britannia Dairy Holdings Pvt Ltd

**Notes to and forming part of the audited financial statements
for the year ended 31 March 2016**

3. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

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 on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expires.

(c) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets such as Trademark, meeting the relevant recognition criteria are initially measured at cost and amortised on a systematic basis over their estimated useful lives. Acquired trademarks are carried at cost less accumulated amortisation and impairment. Trademarks with indefinite lives are not amortised but are reviewed annually for impairment. Other trademarks are amortised on a straight-line basis over their remaining useful lives, consistent with the pattern of economic benefits expected to be received, which do not exceed 20 years. Any impairments of trademarks are recognised in the income statement but increases in trademark values are not recognised.

(d) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount of assets is below the carrying amount. In case that the carrying value of an asset exceeds its recoverable amount, the Company recognises the impairment in the statement of profit or loss and other comprehensive income.

(e) Provisions

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

(f) Expenses

Expenses are accounted under the accrual basis.

(g) Share 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 any tax effects.

Britannia Dairy Holdings Pvt Ltd

**Notes to and forming part of the audited financial statements
for the year ended 31 March 2016**

3. Significant accounting policies (continued)

(h) Foreign currency transactions

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4. Taxation

A Company holding a Category 2 Global Business Licence is exempt from tax. It is considered as non-resident for treaty purposes and is thus not covered by any Double Taxation Agreement concluded by Mauritius, except for exchange of information purposes, if the agreement so provides.

5. Intangible Asset

	2016 USD	2015 USD
Balance at start	3,816,150	4,197,765
Amortised during the year	(381,615)	(381,615)
Balance at end	<u>3,434,535</u>	<u>3,816,150</u>

The intangible asset consists of a trade mark that had been assigned to the company on 31 March 2005. The Directors had estimated the useful life of the asset to be of 20 years. The intangible asset is amortized over its estimated useful life using the straight line method.

6. Accounts receivable

	2016 USD	2015 USD
Prepayments	783	783
	<u>783</u>	<u>783</u>

Britannia Dairy Holdings Pvt Ltd

**Notes to and forming part of the audited financial statements
for the year ended 31 March 2016**

7. Share capital

	2016 USD	2015 USD
Authorised and issued		
2,000 ordinary shares fully paid (2015: 2,000 ordinary shares) of USD 1 each	2,000	2,000
7,411,000 Class C shares fully paid (2015: 7,411,000 Class C shares) of USD 1 each	<u>7,411,000</u>	<u>7,411,000</u>
	<u>7,413,000</u>	<u>7,413,000</u>

The Ordinary Shares shall confer shall have the following rights:

- (a) the right to receive notice of and to vote at any meeting of the Shareholders, with each Ordinary Share having one vote;
- (b) an equal right on the distribution of income and capital as amongst themselves; and
- (c) in a winding up shall have the rights set out in paragraph 23 of the constitution.

The Class "C" Shares shall confer shall have the following rights:

- (a) the Class "C" Shares will confer on the holder thereof the right to receive, as and when declared by the board out of funds legally available thereof, a dividend (cash or otherwise), provided however that such right to dividend shall be subject to payment of dividend to holders of equity shares carrying voting rights at such rate as may be deemed appropriate by the Board;
- (b) each member holding Class "C" shares shall be entitled to receive notice of an attend meeting of members, but this right shall not confer on such members the right to vote on any resolution or other matter affecting the Company except on a resolution to terminate and dissolve the Company and on a resolution to vary the rights of the Class "C" Shares; and
- (c) in a winding up, the holders of the Class "C" Shares shall not be entitled for repayment of the capital paid on the Class "C" shares but shall be entitled participate in the distribution of surplus assets pari passu with the ordinary Shares in accordance with paragraph 23 of the constitution.

8. Accounts payable

	2016 USD	2015 USD
Accruals	2,200	2,150
Payable to related party	4,465	-
	<u>6,665</u>	<u>2,150</u>

Britannia Dairy Holdings Pvt Ltd

Notes to and forming part of the audited financial statements
for the year ended 31 March 2016

9. Financial risk management

Overview

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

- **Liquidity risk**

This note presents information about the Company's exposure to the liquidity risk, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

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

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

Liquidity risk

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

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2016	Carrying amount	Less than 1 year	More than 1 year
<i>Non-derivative financial instruments</i>	USD	USD	USD
Accruals and payables	6,465	6,465	-
	<u>6,465</u>	<u>6,465</u>	<u>-</u>
At 31 March 2015	Carrying amount	Less than 1 year	More than 1 year
<i>Non-derivative financial instruments</i>	USD	USD	USD
Accruals	2,150	2,150	-
	<u>2,150</u>	<u>2,150</u>	<u>-</u>

Britannia Dairy Holdings Pvt Ltd

Notes to and forming part of the audited financial statements
for the year ended 31 March 2016

9. Financial risk management (continued)

Fair values

The carrying amounts of intangible asset, accounts receivable and accruals approximated their fair values at 31 March 2016.

The Company complies with the requirements of IFRS 7 which requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3 Techniques which use inputs which have significant effect on the recorded fair value that are not based on observable market data.

There was no financial instrument measured at fair value at 31 March 2016.

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorized:

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
31 March 2016				
<i>Financial liabilities</i>				
Accruals and payables	-	-	6,465	6,465
31 March 2015				
<i>Financial liabilities</i>				
Accruals	-	-	2,150	2,150

Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

Britannia Dairy Holdings Pvt Ltd

Notes to and forming part of the audited financial statements
for the year ended 31 March 2016

10. Related party disclosures

During the year under review, the Company transacted with related parties. Details of the nature, volume of transactions and balances with the related parties are as follows:-

Name of related party and nature of transaction	2016	2015	2016	2015
	Volume of transactions	Volume of transactions	Closing balance debit/(credit)	Closing balance debit/(credit)
	USD	USD	USD	USD
Britannia Industries Limited	-	5,183	-	-
Britannia and Associates (Mauritius) Pvt Ltd	4,265	-	4,265	-

11. Holding and ultimate holding company

The directors consider Britannia Industries Limited, a company incorporated in India, as the ultimate holding company.

12. Consolidated financial statements

The holding Company, Britannia Industries Limited, prepares consolidated financial statements, for public use, in accordance with Indian GAAP. Its registered office is at 5/1A Hungerford Street, Kolkata - 700 017 West Bengal, India