Britannia and Associates (Mauritius) Pvt Ltd

Financial statements

For the year ended 31 March 2016

Britannia and Associates (Mauritius) Pvt Ltd

Financial statements
for the year ended 31 March 2016

Contents

Britannia and Associates (Mauritius) Pvt Ltd

Corporate data

		Date Appointed
Directors:	Chandra Kumar Gujadhur	5 December 2006
	Tahleb Mahmad Rujub	5 December 2006
	Varun Berry	22 May 2014
	Amlan Datta Majumdar	15 June 2015

Company secretary: & Administrator

Apex Fund Services (Mauritius) Ltd
Up to 24 December 2015:
4th Floor, Raffles Tower
19 Cybercity, Ebene
Republic of Mauritius

With effect from 25 December 2015:
4th Floor, 19 Bank Street
Cybercity, Ebene 72201
Republic of Mauritius

Registered office & Administrator:

Up to 24 December 2015:
4th Floor, Raffles Tower
19 Cybercity, Ebene
Republic of Mauritius

With effect from 25 December 2015:
4th Floor, 19 Bank Street
Cybercity, Ebene 72201
Republic of Mauritius

Auditors:

KPMG
KPMG Centre
31, Cybercity
Ebène
Republic of Mauritius

Banker:

HSBC Bank (Mauritius) Limited
6th Floor HSBC Centre
18 Cybercity
Ebène
Republic of Mauritius

Britannia and Associates (Mauritius) 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 and Associates (Mauritius) Pvt Ltd (the "Company") for the year ended 31 March 2016.

Principal activity

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

Results and dividend

The results for the year are shown on page 6.

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 applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) 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, KPMG, have indicated their willingness to continue in office.

By order of the Board

SD/-

Company secretary

Date: 02 June 2016

Britannia and Associates (Mauritius) Pvt Ltd

Secretary's Certificate
for the year ended 31 March 2016

Under section 166 (d) of the Mauritius Companies Act

We certify, to the best of our knowledge and belief, that the Company has filed with the Registrar of Companies all such returns as are required of the Company under this Act for the year ended 31 March 2016.

SD/-

....
Apex Fund Services (Mauritius) Ltd
Company secretary

4th Floor, 19, Bank Street,
Cybercity, Ebène 72201,
Republic of Mauritius

Date: 02 June 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BRITANNIA AND ASSOCIATES (MAURITIUS) PVT LTD

Report on the Financial Statements

We have audited the financial statements of Britannia and Associates (Mauritius) Pvt Ltd (the "Company") which comprise the statement of financial position as at 31 March 2016 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 24.

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

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 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.

Auditors' Responsibility

Our responsibility is to express 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 about 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 assessment of 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BRITANNIA AND ASSOCIATES (MAURITIUS) PVT LTD (CONTINUED)

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Britannia and Associates (Mauritius) Pvt Ltd as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act.

Basis of preparation

Without qualifying our opinion, we draw attention to note 2(a) to the financial statements, which describes the basis of accounting. These are the Company's statutory financial statements and have been prepared in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence. The applicable financial reporting framework is IFRS except for the standard applicable to Consolidated Financial Statements (IFRS 10).

Report on Other Legal and Regulatory Requirements

Mauritius Companies Act

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

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

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

SD/-

SD/-

KPMG
Ebène, Mauritius

Desire Lan, Bsc FCA
Licensed by FRC

Date: 02 June 2016

Britannia and Associates (Mauritius) Pvt Ltd

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

	Note	2016 USD	2015 USD
Revenue			
Interest Income		**364,634**	487,439
Expenses			
Professional fees		15,642	9,965
Directors' remuneration		2,000	1,667
Other operating expenses		3,842	3,528
		21,484	15,160
Operating profit		343,150	472,279
Finance costs	4	(181,608)	(297,304)
Profit before tax		161,542	174,975
Tax expense	5	(4,932)	(5,249)
Profit for the year		156,610	169,726
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		156,610	169,726

The notes on pages 10 to 24 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

Statement of financial position
at 31 March 2016

	Note	2016 USD	2015 USD
ASSETS			
Non Current assets			
Investment in subsidiary	6	**200,000**	200,000
Loan to subsidiary	7	**11,051,261**	22,083,344
Total non-current assets		**11,251,261**	22,283,344
Current assets			
Trade and other receivables	8	**2,265,571**	2,084,173
Loan to subsidiary	7	**24,032,083**	15,500,000
Cash and cash equivalents		**28,191**	35,854
Total current assets		**26,325,845**	17,620,027
Total assets		**37,577,106**	39,903,371
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**24,372,087**	24,372,087
Accumulated losses		**125,762**	(30,848)
Total equity		**24,497,849**	24,341,239
Current liabilities			
Loan payable	11	**13,000,000**	15,500,000
Trade and other payables	10	**78,065**	60,864
Tax liability	5	**1,192**	1,268
Total current liabilities		**13,079,257**	15,562,132
Total liabilities		**13,079,257**	15,562,132
Total equity and liabilities		**37,577,106**	39,903,371

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

SD/- .... *Director*

SD/- .... *Director*

The notes on pages 10 to 24 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

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

	Share capital	(Revenue deficit)/Retained earnings	Total
	USD	USD	USD
At 31 March 2014	24,372,087	(200,574)	24,171,513
Total comprehensive income for the year			
Profit for the year	-	169,726	169,726
At 31 March 2015	24,372,087	(30,848)	24,341,239
Total comprehensive income for the year			
Profit for the year	-	156,610	156,610
At 31 March 2016	**24,372,087**	**125,762**	**24,497,849**

The notes on pages 10 to 24 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

Statement of cash flows
for the year ended 31 March 2016

	2016 USD	2015 USD
Cash flows from operating activities		
Profit before tax	161,542	174,975
Adjustment for:		
Interest income	(364,634)	(487,439)
Interest expense	181,608	297,304
	(21,484)	(15,160)
Change in trade and other receivables	(4,265)	(534)
Change in trade and other payables	1,035	(1,385)
Cash used in operating activities	(24,714)	(17,079)
Finance costs paid	(132,353)	(274,159)
Corporate guarantee fee paid	(33,088)	(55,854)
Tax paid	(5,008)	(4,149)
Net cash flows used in operating activities	(195,163)	(351,241)
Cash flows from investing activities		
Interest received	187,500	367,931
Net proceeds from bank borrowing	2,500,000	4,500,000
Net cash flows generated from investing activities	2,687,500	4,867,931
Cash flows from financing activity		
Repayment of loan to bank	(2,500,000)	(4,500,000)
Net cash flows used in from financing activity	(2,500,000)	(4,500,000)
Net change in cash and cash equivalents	(7,663)	16,690
Cash and cash equivalents at start of the year	35,854	19,164
Cash and cash equivalents at end of year	28,191	35,854

The notes on pages 10 to 24 form part of these financial statements.

1. General information

Britannia and Associates (Mauritius) Pvt Ltd (the "Company") is a company, incorporated under the laws of Mauritius on 5 December 2006. It is a private company limited by shares, regulated and licensed by the Financial Services Commission as a Category 1 Global Business Licence Company under the Financial Services Act 2007. The Registered office of the Company is 4th Floor, 19, Bank Street, Cybercity, Ebène 72201, Republic of Mauritius. These financial statements are the separate financial statements of the Company only and do not incorporate the results of its subsidiaries.

The main activity of the Company is investment holding.

2. Basis of preparation

(a) Basis of preparation of financial statements

The Company has a subsidiary and in accordance with International Financial Reporting Standards is required to present consolidated financial statements. However, in accordance with the Fourteenth Schedule of the Mauritius Companies Act, any company holding a Category 1 Global Business Licence may not prepare group financial statements where it is a wholly owned or virtually owned subsidiary of any company. The Company is a subsidiary of another company and holds Category 1 Global Business Licence. These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board (IASB), except for the standard applicable to Consolidated and separate Financial Statements (IFRS 10).

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for those financial assets and liabilities which are recognised at fair value.

(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.

(e) Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2. Basis of preparation (continued)

(f) Changes in accounting policies

The Company has adopted the following new and amended IFRS and IFRIC interpretations.

Standards / interpretations		Effective date
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities	Annual periods beginning on or after 1 April 2015
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	Annual periods beginning on or after 1 April 2015

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

The amendments clarify when an entity can offset financial assets and financial liabilities. This amendment resulted in the Company no longer offsetting two of its master netting arrangements. This amendment is effective for annual periods beginning on or after 1 April 2015 with early adoption permitted.

The adoption of the above standard has not impacted the financial statements.

Recoverable Amount Disclosures for Non-Financial Assets (Amendment to IAS 36)

The amendments reverse the unintended requirement in IFRS 13 Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, the recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.

The adoption of the above standard has not impacted the financial statements.

The amendments apply retrospectively for annual periods beginning on or after 1 April 2015 with early adoption permitted.

The adoption of the above standard has not impacted the financial statements.

3. Significant accounting policies

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

(a) Revenue

Interest income is recognised as it accrues in the statement of profit or loss and other comprehensive income using the effective interest method.

(b) Financial Instruments – Recognition, subsequent measurement and derecognition

Non-derivative financial assets

The Company initially recognises loans and receivables issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

3. Significant accounting policies (continued)

(b) Financial Instruments – Recognition, subsequent measurement and derecognition (continued)

Non-derivative financial assets (continued)

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 it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised 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 or cancelled, or expired.

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

Non derivative financial assets comprise of loans and receivables category.

Loans and receivables

Loans and receivables are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables comprise loan to subsidiary and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

Non-derivative financial liabilities

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

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

The Company classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. The Company has the following non-derivative financial liabilities: Accruals.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Other payables

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

3. Significant accounting policies (continued)

(c) *Investments in subsidiary*

A subsidiary is an entity in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.

The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investment in subsidiary is shown at cost less impairment. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income. On disposal of investment, the difference between the disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(d) *Impairment of financial assets*

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more event that occurred after the initial recognition of the asset, and that loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Financial assets measured at amortised cost

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics .An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3. Significant accounting policies (continued)

(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 statement of profit and loss and other comprehensive income on an 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.

(h) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

• temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

• temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised for unused tax losses, unused 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 used. 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; such reductions are reversed when the probability of future taxable profits improves.

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 tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3. **Significant accounting policies (continued)**

(h) Income tax (continued)

Deferred tax (continued)

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(i) New standards and interpretations not yet adopted

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2016 and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

These statements, where applicable, will be applied in the year when they are effective.

Standard/Interpretation		**Effective date**
IFRS 15	*Revenue from contracts with customers*	1 January 2018
IFRS 9	*Financial Instruments*	1 January 2018
IAS 1	*Disclosure Initiative*	1 January 2016

IFRS 15: Revenue from contracts with customers

This standard replaces IAS 11 *Construction Contracts*, IAS 18 Revenue, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services.*

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a significant impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The Company is currently in the process of performing a more detailed assessment of the impact of this standard on the Group and will provide more information in the year ending 31 March 2016 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted under IFRS.

3. **Significant accounting policies (continued)**

(i) New standards and interpretations not yet adopted (continued)

IFRS 9: Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement.*

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

Amendments to IAS 1: *Disclosure Initiative*

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to of the order of notes, other comprehensive income of equity accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and other comprehensive income.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

4. **Finance costs**

	2016 USD	2015 USD
Fee on corporate guarantee	**41,817**	53,117
Interest on loan	**139,791**	244,187
	181,608	297,304

5. Taxation

Under the applicable laws, the Company is liable to income tax in Mauritius on its chargeable income at the rate of 15%. However, it is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritius tax on its foreign source income. The effective tax rate is reduced to 3%.

	2016 USD	2015 USD
Tax recognised in profit or loss		
Current tax expense	4,932	5,249
Reconciliation of effective tax		
Profit before tax	161,542	174,975
Income tax @ 15%	24,231	26,246
Expenses not deductible for tax purpose	86	-
Tax credit	(19,385)	(20,997)
Tax liability	4,932	5,249

Income tax liability	2016 USD	2015 USD
At 01 January	1,268	168
Paid during the year	(5,008)	(4,149)
Charge for the year	4,932	5,249
Tax payable	1,192	1,268

6. Investment in subsidiary

	2016 USD	2015 USD
Unquoted		
Balance at end	200,000	200,000

Details pertaining to the investment is as follows:

Name of Company	Country of incorporation	Class of shares held	Potential voting power
Direct subsidiary			
Britannia and Associates (Dubai) Pvt. Company Limited	UAE	Ordinary shares	100%
Indirect subsidiaries:			
Al Sallan Food Industries SAOC	Oman	Ordinary shares	65.46%
Strategic Foods International Co. LLC	UAE	Ordinary shares	49%
Strategic Brands Holding Co. Ltd	UAE	Ordinary shares	100%

7. Loan to subsidiary

	2016 USD	2015 USD
Receivable within 1 year (Note 13)	**24,032,083**	15,500,000
Receivable after 1 year and within 5 years (Note 13)	**11,051,261**	22,083,344
	35,083,344	37,583,344

The loan amounting to **USD 11,051,261** bears interest at 1.07% and is expected to be repaid as from March 2018 within 7 years in 14 equal instalments.

Out of **USD 24,032,083, USD 13,000,000** (2015: USD 15,500,000) which is repayable within one year of the drawdown date and bears interest at Libor + mark up as agreed with the bank. During 2016, the terms and conditions of the loan receivable from subsidiary amounting to **USD 24,032,083** changed to interest free, unsecured and repayable on demand. Therefore it has been reclassified to current assets.

8. Trade and other receivables

	2016 USD	2015 USD
Prepayments and other receivables	**7,456**	3,191
Other debtors (Note 13)	**2,258,115**	2,080,982
	2,265,571	2,084,173

Other debtors relates to amount receivable from related party which is repayable on demand.

9. Share capital

Authorised and issued	2016 USD	2015 USD
24,372,087 Ordinary Shares fully paid (2015: 24,372,087 ordinary shares) of USD 1 each	**24,372,087**	24,372,087

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 Shareholder, with each Ordinary Share having one vote;
(b) an equal right on the distribution of income as amongst themselves; and
(c) in a winding up shall have the rights set out in Article 25.

10. Trade and other payables

	2016 USD	2015 USD
Interest accrued	**47,776**	40,339
Accruals and other payables	**11,872**	10,837
Payable to related party (Note 13)	**18,417**	9,688
	78,065	60,864

Interest accrued is paid half yearly and other payable is unsecured and repayable on demand. The amount payable to related party relates to corporate guarantee fee payable to Britannia Industries Limited which is unsecured and repayable on demand.

11. **Loan payable**

	2016 USD	2015 USD
Short term loan within 1 year	**13,000,000**	15,500,000

Loan is payable semi-annually subject to renewal with the same terms and conditions as per the initial loan agreement which was payable to the Bank of America. On 8 October 2015, the Company took a new loan from Mizuho Bank Ltd and repaid the loan held with the Bank of America. The loan from Mizuho Bank Ltd bears an interest of 0.778250% and is repayable on 08 October 2016.

12. **Financial Instrument – Risk management and fair values**

(a) ***Financial risk management***

Overview

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

- Credit risk
- Market risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, 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.

Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's exposure to credit risk is monitored by management on an ongoing basis. The Company limits its risk by carrying out transactions through companies within the group.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	Carrying amount 2016 USD	Carrying amount 2015 USD
Loan to subsidiary	**35,083,344**	37,583,344
Trade and other receivables	**2,258,115**	2,084,173
Cash and cash equivalents	**28,191**	35,854
	37,369,650	39,703,371

Cash at bank is maintained with reputable banks and trade and other receivables exclude prepayments of USD 7,456 (2015: USD 3,191)

12. Financial Instrument – Risk management and fair values (continued)

(a) *Financial risk* management (continued)

Credit risk (continued)

The ageing of loans and receivables at the end of the reporting year was:

	2016 USD	2015 USD
Within one year	**26,290,198**	17,580,982
More than one year	**11,051,261**	22,083,344
	37,341,459	39,664,326

Market risk

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

Interest rate risk

The Company has interest bearing financial assets and liabilities and as a result the Company is subject to risk due to fluctuations in the prevailing levels of market interest rates.

The sensitivity analysis below have been determined based on the exposure to interest rates at the reporting date and has been presented net of either interest income and interest expense, whichever is higher. A 50 basis point increase or decrease is used when reporting interest rate risk, assuming all other variables are held constant.

	Increase/ (decrease) in interest rates 2016 (basis point)	**Effect on profit or loss after tax 2016 USD**	Increase/ (decrease) in interest rates 2015 (basis point)	Effect on profit or loss after tax 2015 USD
Variable rate instruments	**50**	**58,119**	50	58,119
Variable rate instruments	**(50)**	**(58,119)**	(50)	(58,119)

Currency risk

The Company is not exposed to any foreign currency risk as it only holds financial assets and financial liabilities which are denominated in USD.

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 holding company Britannia Industries Limited has confirm that it will provide financial support if the company is unable to meet its obligations associated with its running expenses as they fall due.

12. Financial Instrument – Risk management and fair values (continued)

(a) *Financial risk* management (continued)

Liquidity risk (continued)

At 31 March 2016	**Carrying amount**	**Less than 1 year**	**More than 1 year**
Non-derivative financial instruments	**USD**	**USD**	**USD**
Loan payable	**13,000,000**	**13,000,000**	-
Trade and other payables	**78,065**	**78,065**	-
	13,078,065	**13,078,065**	-

At 31 March 2015	Carrying amount	Less than 1 year	More than 1 year
	USD	USD	USD
Non-derivative financial instruments			
Loan payable	15,500,000	15,500,000	-
Trade and other payables	60,864	60,864	-
	15,560,864	15,560,864	-

The table 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.

(b) ***Fair values***

The Company's financial assets and liabilities consist of loan and receivables, cash and cash equivalents and other creditors and payables. The carrying amounts of these assets and liabilities approximate their fair values. The valuation techniques and the inputs used in the fair value measures of the financial assets and financial liabilities for measurement and for disclosures are set out in the notes below.

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

As 31 March 2016

	Loans and receivables	**Other financial liabilities**	**Total**
	USD	**USD**	**USD**
Financial assets not measured at fair value			
Cash and cash equivalents	**28,191**	-	**28,191**
Other debtors and receivables	**37,341,459**	-	**37,341,459**
	37,369,650	-	**37,369,650**
Financial liabilities not measured at fair value			
Loan and other payables	-	**13,000,000**	**13,000,000**
Accruals	-	**78,065**	**78,065**
	-	**13,078,065**	**13,078,065**

12. Financial Instrument – Risk management and fair values (continued)

(b) ***Fair values (continued)***

Fair values versus carrying amounts (continued)

As 31 March 2015

	Loans and receivables	Other financial liabilities	Total
	USD	USD	USD
Financial assets not measured at fair value			
Cash and cash equivalents	35,854	-	35,854
Other debtors and receivables	39,664,326	-	39,664,326
	39,700,180	-	39,700,180
Financial liabilities not measured at fair value			
Loan and other payables	-	15,500,000	15,500,000
Accruals	-	60,864	60,864
	-	15,560,864	15,560,864

Prepayments amounting to **USD 7,456** (2015: USD 3,191) are not included in the financial assets.

Accounting classifications and fair values- fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The different levels are defined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e derived from prices).
- Level 3 – Unobservable inputs for the assets or liability.

12. Financial Instrument – Risk management and fair values (continued)

(b) ***Fair values (continued)***

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
At 31 March 2016				
Cash and cash equivalents	-	-	**28,191**	**28,191**
Other debtors and receivables	-	-	**37,341,459**	**37,341,459**
Total assets	-	-	**37,369,650**	**37,369,650**
Loan and other payables	-	-	**13,000,000**	**13,000,000**
Accruals	-	-	**78,065**	**78,065**
Total liabilities	-	-	**13,078,065**	**13,078,065**
At 31 March 2015				
Cash and cash equivalents	-	-	35,854	35,854
Other debtors and receivables	-	-	39,664,326	39,664,326
Total assets	-	-	39,700,180	39,700,180
Loan and other payables	-	-	15,500,000	15,500,000
Accruals	-	-	60,864	60,864
Total liabilities	-	-	15,560,864	15,560,864

The Company recognizes transfers between levels of fair value hierarchy as of the reporting period during which the transfer has occurred. There have been no transfer between the levels in 2016 (2015: no transfer in either direction)

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.

13. 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	Nature of transaction	2016 Volume of transactions	2015 Volume of transactions	2016 Closing balance Debit / (credit)	2015 Closing balance debit / (credit)
		USD	USD	USD	USD
Britannia and Associates (Dubai) Pvt. Company Limited (Direct Subsidiary)	Loan	(2,500,000)	(4,500,000)	35,083,344	37,583,344
Strategic Brands Holding Company Limited (Indirect Subsidiary)	Advance and Interest	781	778	19,170	18,390
Britannia and Associates (Dubai) Pvt. Company Limited (Direct Subsidiary)	Interest on Loan	363,853	486,660	2,238,945	2,062,592
Britannia Industries Limited (Holding Company)	Corporate Guarantee fee	41,817	53,117	(18,417)	(9,688)
Apex Fund Services (Mauritius) Ltd (Administrator)	Director fees	2,000	1,667	1,333	1,333

14. Holding company

The Company is a wholly owned subsidiary of Britannia Industries Limited, a company incorporated in India.

15. Consolidated Financial statements

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