

Britannia and Associates (Mauritius) Pvt Ltd

Financial statements

For the year ended 31 March 2022

Britannia and Associates (Mauritius) Pvt Ltd

Financial statements

for the year ended 31 March 2022

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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
	Mahmad Hayder Amiran (Alternate director to Chandra Kumar Gujadhur)	15 April 2016
	Venkataraman Natarajan	24 January 2020
Company secretary:	Apex Fund Services (Mauritius) Ltd 4 th Floor, 19 Bank Street Cybercity, Ebène 72201 Republic of Mauritius	
Registered office:	4 th Floor, 19 Bank Street Cybercity, Ebène 72201 Republic of Mauritius	
Auditors:	Navy and Yan West View La Marie Road Glen-Park Vacoas 73116 Republic of Mauritius	
Banker:	HSBC Bank (Mauritius) Limited 6 th Floor HSBC Centre 18 Cybercity Ebène Republic of Mauritius	

Britannia and Associates (Mauritius) Pvt Ltd

Commentary of Directors

for the year ended 31 March 2022

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 2022.

Principal activity

The Company holds a Global Business Licence and the principal activity of the Company is that of investment holding.

Results and dividend

The results for the year are shown in the accompanying financial statements.

The directors do not recommend the payment of dividend for the year under review (2021: 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 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.

The directors have confirmed that they have complied with the above requirements and also considered the impact of COVID-19 in preparing the separate financial statements as disclosed in note 17.

Auditors

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

Britannia and Associates (Mauritius) Pvt Ltd

Secretary's Certificate

for the year ended 31 March 2022

Under section 166 (d) of the Mauritius Companies Act

We certify, to the best of our knowledge and belief, that Britannia and Associates (Mauritius) Pvt Ltd (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act for the year ended 31 March 2022.

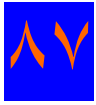


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Apex Fund Services (Mauritius) Ltd

Company secretary

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

Date: 22 April 2022



Public Accountants and Knowledge Managers

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Britannia and Associates (Mauritius) Pvt Ltd (the Company) set out on pages 7 to 32 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 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as modified by the exemption from consolidation available to companies holding a Category 1 Global Business License under the Companies Act 2001 and comply with the Financial Reporting Act 2004 and Companies Act 2001.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

A further description of the Auditors' Responsibilities for the Audit of the Financial Statements is provided in the "Appendix to the Independent Auditors' Report". This description forms part of our Audit Report.

(CONTINUED)

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

Other matter

This report is made solely to the company's shareholder, in accordance with section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the company's 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.

Information other than the financial statements and Auditors' Report thereon (other information)

The Directors are responsible for "other information". The other information comprises of information disclosed under the Corporate Data, Directors' Report and the Secretary's Certificate. It does not include the financial statements and our auditors' opinion thereon.

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

In connection with our audit of the financial statements, we read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our general knowledge obtained during 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 the 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 interests in the company other than in our capacity as auditors.

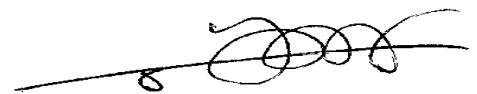
We have obtained all the information and explanations that we have required.

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

The engagement partner on the audit resulting in this independent auditor's report is Y. Nath Varma.



Navy and Yan
Public Accountants
Vacoas
Date: 22/04/2022



Y. Nath Varma FCCA DFPFM PhD
Licensed by FRC

APPENDIX TO THE INDEPENDENT AUDITORS' REPORT

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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.

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.

Britannia and Associates (Mauritius) Pvt Ltd**Statement of profit or loss and other comprehensive income**
for the year ended 31 March 2022

	Notes	2022 USD	2021 USD
Revenue			
Interest income	8	<u>113,709</u>	<u>157,667</u>
Expenses			
Professional fees		(9,823)	(9,353)
Directors' remuneration		(2,150)	(2,150)
Other operating expenses		<u>(6,934)</u>	<u>(6,273)</u>
		<u>(18,907)</u>	<u>(17,776)</u>
Operating profit		94,802	139,891
Finance costs	5	(109,143)	(145,403)
Loss before tax		<u>(14,341)</u>	<u>(5,512)</u>
Tax	6	-	-
Loss for the year, net of tax		<u>(14,341)</u>	<u>(5,512)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u><u>(14,341)</u></u>	<u><u>(5,512)</u></u>

The notes on pages 11 to 32 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd**Statement of financial position**
as at 31 March 2022

	Notes	2022 USD	2021 USD
ASSETS			
Non-current asset			
Investment in subsidiary	7	25,025,684	25,025,684
Loan to subsidiary	8	8,000,000	-
Total non-current assets		33,025,684	25,025,684
Current assets			
Prepayments and other receivables	9	63,618	114,643
Loan to subsidiary	8	-	8,000,000
Tax recoverable	6	-	55
Cash and cash equivalents		12,907	8,591
Total current assets		76,525	8,123,289
Total assets		33,102,209	33,148,973
EQUITY AND LIABILITIES			
Equity			
Share capital	10	24,372,087	24,372,087
Retained earnings		697,970	712,311
Total equity		25,070,057	25,084,398
Current liabilities			
Loan payable	12	8,000,000	8,000,000
Trade and other payables	11	32,152	64,575
Total current liabilities		8,032,152	8,064,575
Total equity and liabilities		33,102,209	33,148,973

These financial statements have been approved by the Board of Directors on 22 April 2022 and signed on behalf of the Board by:

**Varun
Berry**

Digitally signed by
Varun Berry
Date: 2022.04.28
14:53:54 +05'30'

.....
Director


.....
Director

The notes on pages 11 to 32 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

Statement of changes in equity
for the year ended 31 March 2022

	Share capital USD	Retained earnings USD	Total equity USD
At 1 April 2020	24,372,087	717,823	25,089,910
<i>Total comprehensive loss for the year:</i>			
Loss for the year	-	(5,512)	(5,512)
At 31 March 2021	<u>24,372,087</u>	<u>712,311</u>	<u>25,084,398</u>
At 1 April 2021	24,372,087	712,311	25,084,398
<i>Total comprehensive loss for the year:</i>			
Loss for the year	-	(14,341)	(14,341)
At 31 March 2022	<u>24,372,087</u>	<u>697,970</u>	<u>25,070,057</u>

The notes on pages 11 to 32 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

Statement of cash flows

for the year ended 31 March 2022

	Notes	2022 USD	2021 USD
Cash flows from operating activities			
Loss before tax		(14,341)	(5,512)
<u>Adjustments for:</u>			
Interest income	8	(113,709)	(157,667)
Interest expense	5	109,143	145,403
		(18,907)	(17,776)
<i>Movement in working capital</i>			
Increase in prepayments and other receivables		(4,000)	(6,610)
Increase/(decrease) in trade and other payables		3,573	(741)
Cash used in operations		(19,334)	(25,127)
Finance costs paid		(91,639)	(212,810)
Corporate guarantee fee paid		(53,500)	-
Tax refund received/(paid)	6	56	(2,257)
Net cash used in operating activities		(164,417)	(240,194)
Cash flows from financing activities			
Repayment of loan		-	(3,000,000)
Net cash used in financing activities		-	(3,000,000)
Cash flows from investing activities			
Interest received		168,733	239,044
Loan repaid by subsidiary	12	-	3,000,000
Net cash from investing activities		168,733	3,239,044
Net increase/(decrease) in cash and cash equivalents		4,316	(1,150)
Cash and cash equivalents at start of the year		8,591	9,741
Cash and cash equivalents at end of year		12,907	8,591

The notes on pages 11 to 32 form part of these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

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 of Mauritius as a 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 constitute the separate financial statements of the Company only and do not incorporate the results of its subsidiary and indirect subsidiaries. The Company is a wholly owned subsidiary of Britannia Industries Limited, a company incorporated in India and listed on the National Stock Exchange of India and the holding company prepares consolidated financial statements.

The main activity of the Company is investment holding.

2. Basis of preparation

(a) Basis of preparation of financial statements

The Company has an investment in subsidiary and in accordance with International Financial Reporting Standards ("IFRS") is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company incorporated outside Mauritius and, in accordance with Section 211 of the Mauritius Companies Act, Content and form of financial statements, these financial statements present the financial position, financial performance and cash flow of the Company. The financial statements have been prepared in accordance with Mauritius Companies Act which allows the use of IFRS and interpretations adopted by the International Accounting Standard Board ("IASB"), except for the standard applicable to Consolidated Financial Statements (IFRS 10) because the Company is a holder of a Category 1 Global Business Licence and is a wholly owned subsidiary of another company incorporated outside Mauritius.

(b) Basis of measurement

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

(c) Functional and presentation currency

The Company's financial statements are presented in United States Dollar ("USD") which is also the currency of the primary economic environment in which the Company operates ("its 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, 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. Information about significant areas of estimation, uncertainty and criteria judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 4.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

2. Basis of preparation (continued)

(e) Going concern

The Company's directors have 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.

(f) Changes in accounting policies

New standards, interpretations and amendments to published standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2021. The standards, amendments and interpretations that are issued and effective are disclosed below, except for those standards which, in the opinion of the Board of Directors ("the Board"), will clearly not impact the Company.

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.

The Directors of the Company have assessed that the amendment does not have a material impact on these financial statements.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

2. Basis of preparation (continued)

(f) Changes in accounting policies (continued)

Standards, amendments and interpretations that are not yet effective

The standards, amendments and interpretations that are issued, but not yet effective are disclosed below, except for those standards which, in the opinion of the Board of Directors (“the Board”), will clearly not impact the Company. The Company intends to adopt these standards, if applicable, when they become effective.

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.

The directors have considered that the amendments to the definition of material are not expected to have a significant impact on the Company’s financial statements.

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.

The board has yet to make an assessment of the standard, but the amendments are not expected to result in any significant impact on the financial statements.

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”.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

2. Basis of preparation (continued)

(f) Changes in accounting policies (continued)

Standards, amendments and interpretations that are not yet effective

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

- 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.

The amendment is not expected to have a material impact on the Company.

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.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

3. Basis of preparation (continued)

(f) Changes in accounting policies (continued)

Standards, amendments and interpretations that are not yet effective

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

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.

The amendment is not expected to have a material impact on the Company.

3. Significant accounting policies

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

(a) Revenue Recognition

The Company recognises revenue based on the following principles: (i) Identify the contract(s) with a customer; (ii) Identify the performance obligations in the contract; (iii) Determine the transaction price; (iv) Allocate the transaction price to the performance obligations in the contract; (v) Recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income is recognised on an accrual basis in the statement of profit or loss and other comprehensive income using the effective interest method. Dividend income is recognised when the right to receive payment is established.

(b) Financial Instruments

Financial assets and financial liabilities

(i) Recognition and initial measurement

Where relevant, the Company initially recognises financial assets and financial liabilities at fair value through profit or loss ("FVTPL") on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated. A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification of financial assets

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

All financial assets of the Company not measured at amortised cost or at fair value through other comprehensive income (FVOCI) are measured at FVTPL, except for the investment in the subsidiary which has been recorded at cost less impairment (if any). In the separate financial statements, investment in subsidiary is categorised under FVTPL.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(b) Financial Instruments (continued)

Financial assets and financial liabilities (continued)

(ii) Classification of financial assets (continued)

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company will consider all of the relevant information about how the business is managed. These may include the below, depending on their relevance. The list is not exhaustive:

- the documented investment strategy and the execution of this strategy in practice. This include 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;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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.

Assessment whether contractual cash flows are SPPI

For the purposes 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 a profit margin.

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 this assessment, the Company considers:

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

Assessment of whether contractual cash flows are SPPI is made when the Company carries debt instruments that have characteristics that may meet the above considerations.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(b) Financial Instruments (continued)

Financial assets and financial liabilities (continued)

(ii) Classification of financial assets (continued)

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

-Held for trading: securities sold short and derivative financial instruments.

Financial liabilities at amortised cost:

-This includes payables under sale and repurchase agreements and redeemable shares.

-This includes amounts applicable to Company: Other payables; amount due to related parties.

(iii) 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.

(iv) 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 on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(b) Financial Instruments (continued)

Financial assets and financial liabilities (continued)

(v) Impairment

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 or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

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 receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. However, no ECL has been recognised for the year under review (2021: Nil).

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

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets 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 assumes that the credit risk on a financial asset has increased significantly if its repayment terms has lapsed.

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 security (if any is held).

The Company considers a financial asset to have low credit risk when the amount receivable is with related parties.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(b) Financial Instruments (continued)

Financial assets and financial liabilities (continued)

(v) Impairment (continued)

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).

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.

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.

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.

An impairment loss in respect of a financial asset measured at amortised cost was calculated as the difference between its carrying amount and the present value of the estimated future cashflows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continued to be recognised. If an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(b) Financial Instruments (continued)

(vi) Derecognition

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.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

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

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.

(vii) 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 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.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(c) Cash and cash equivalents

Cash and cash equivalents comprise of 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.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(d) Investment in subsidiary

Control over subsidiaries and entities (including structured entities) is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its return.

The Company does not prepare consolidated financial statements and investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an 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 an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

(e) 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 date are retranslated to the functional currency at the exchange rate at that date.

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.

(f) 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.

(g) Expenses Recognition

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

(h) 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.

(i) 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.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

3. Significant accounting policies (continued)

(i) Income tax (continued)

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. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, it is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. 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; and
- 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.

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.

Deferred tax assets and liabilities are offset only if certain criteria are met. Deferred tax assets and liabilities are offset only if the Company has the legal right to settle current tax amounts on a net basis and the deferred tax amounts are levied by the same taxing authority on the same entity or different entities that intend to realise the asset and settle the liability at the same time.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements for the year ended 31 March 2022

4. Critical accounting estimates and judgements

The Company makes estimates and judgements that affect the reported amounts of assets and liabilities within the next year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising there are dependent on the functional currency selected. As described in note 2 (c), the directors have considered those factors therein and have determined that the functional currency of the Company is the United States Dollar.

Expected Credit Loss

Management carries out a regular review of the status of the assets of the Company to determine whether there is any indication that these assets suffered any impairment.

Receivables include interest receivable from subsidiary of **USD 16,456** (2021: USD 71,520). The subsidiary has a strong asset base. The directors are of the opinion that the subsidiary will not incur difficulties to repay its loan as per the terms of agreement and thus no ECL provision with regards to receivables or impairment with regards to investment would be necessary of the reporting date.

5. Finance costs

	2022	2021
	USD	USD
Fee on corporate guarantee	35,990	36,500
Interest on loan	73,153	108,903
	<u>109,143</u>	<u>145,403</u>

6. Taxation

The Company holds a Global Business License for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Entities which had obtained their Global Business Licence on or before 16 October 2017, including the Company, had been grandfathered and benefitted from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company was entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed foreign tax credit") on its foreign source income resulting in a maximum effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of Shares.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements for the year ended 31 March 2022

6. Taxation (continued)

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company would be entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of prescribed income derived, including but not limited to foreign source dividends or interest income.

A numerical reconciliation between the accounting loss at the applicable rate and the tax charge is shown below:

	2022 USD	2021 USD
<i>Tax recognised in profit or loss</i>		
Current tax expense	-	-
<i>Reconciliation of effective tax</i>		
Loss before tax	(14,341)	(5,512)
Income tax actual/effective rate	(2,151)	(165)
Tax credit	-	-
Deferred tax assets not recognised	2,151	165
Tax expense	-	-
	2022 USD	2021 USD
Income tax payable/(recoverable)		
At 1 April	(55)	2,202
Paid during the year	-	(2,257)
Refund received during the year	56	-
At 31 March	1	(55)

7. Investment in subsidiary

	2022 USD	2021 USD
<u>Unquoted- Britannia and Associates (Dubai) Pvt Limited</u>		
Balance at start	25,025,684	25,025,684
Additions during the year	-	-
Balance at end	25,025,684	25,025,684

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements for the year ended 31 March 2022

7. Investment in subsidiary (continued)

Details pertaining to the investment are as follows:

Name of Company	Nature of business	Country of incorporation	Class of shares held	Potential voting power
<i>Direct subsidiary:</i>				
Britannia and Associates (Dubai) Pvt. Limited	Investment Company	UAE	Ordinary shares	100%
<i>Indirect subsidiaries:</i>				
Al Sallan Food Industries SAOC*	Manufacturing & Trading of Biscuits, Wafers, Rolls	Oman	Ordinary shares	65.46%
Strategic Foods International Co. LLC*	Manufacturing & Trading of Biscuits, Wafers, Rolls	UAE	Ordinary shares	49%
Strategic Brands Holding Co. Ltd	Brand Holding company	UAE	Ordinary shares	100%
Britannia Egypt LLC	Purchasing biscuits from 3 rd party and selling to distributor in Egypt Market	Egypt	Ordinary shares	99%
Strategic Foods Uganda Limited	Manufacturing & Trading of Biscuits, Wafers, Rolls	Uganda	Ordinary shares	99%

*In addition, for Al Sallan Food Industries SAOC, 28.06% is held by Khimji family for beneficial interest of the company as per Shareholders' agreement dated 10 March 2009, effective from 28 June 2009. Balance 6.48% is held by the public. For Strategic Foods International Co. LLC, the remaining 51% is held by The First Dubai corporation only for beneficial interest purpose.

8. Loan to subsidiary

	2022 USD	2021 USD
Non-current	8,000,000	-
Current	-	8,000,000
	<u>8,000,000</u>	<u>8,000,000</u>
Interest income	<u>113,709</u>	<u>157,667</u>

The loan amount of USD 8,000,000 bears interest at Libor + margin. The loan was initially repayable within one year. The repayment was however rescheduled several times and the exact date of repayment is yet to be decided upon.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

9. Prepayments and other receivables

	2022 USD	2021 USD
Prepayments and sundry receivables	47,162	43,123
Other receivables	16,456	71,520
	<u>63,618</u>	<u>114,643</u>

Sundry receivables include balance due from:

- (i) *Britannia Dairy Holdings Pvt Ltd* – USD 43,829 (2021: USD 39,830) which is unsecured, interest free and repayable on demand.

Other receivables comprise of balance due from:

- (i) *Britannia and Associates (Dubai) Pvt. Limited* – USD 16,456 (2021: USD 71,520) - relates to loan interest of 1.07% per annum.

10. Share capital

<i>Authorised and issued</i>	2022 USD	2021 USD
24,372,087 Ordinary shares fully paid of USD 1 each	<u>24,372,087</u>	<u>24,372,087</u>

The Ordinary Shares shall confer 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 of the Company's constitution.

11. Trade and other payables

	2022 USD	2021 USD
Interest accrued	4,073	22,559
Accruals and other payables	28,078	42,016
Tax payable	1	-
	<u>32,152</u>	<u>64,575</u>

Interest accrued is paid monthly while other payables are unsecured and repayable on demand. The amount payable to related party relates to corporate guarantee fee payable to Britannia Industries Limited which is unsecured, bears interest at 0.30% per annum and repayable monthly.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

12. Loan payable

	2022 USD	2021 USD
Opening balance	8,000,000	11,000,000
Repayment	-	(3,000,000)
Closing balance	<u>8,000,000</u>	<u>8,000,000</u>

The loan was from Cooperative Rabobank U.A and carried interest at the rate of Libor + margin of 45 bps. It enjoyed an annually renewable revolver facility until it is paid. Since the due date to repay the entire principal amount of USD 8M was expiring, the company entered into a revolving loan facility with Citibank, N.A., HongKong Branch to repay the principal loan amount of USD 8M taken over from Rabobank. The holding company, Britannia Industries Limited, is acting as the corporate guarantor.

13. 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.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

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

(a) Financial risk management (continued)

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 2022 USD	Carrying amount 2021 USD
Loan to subsidiary	8,000,000	8,000,000
Other receivables	60,325	111,350
Cash and cash equivalents	12,907	8,591
	<u>8,073,232</u>	<u>8,119,941</u>

Cash at bank is maintained with reputable banks and other receivables exclude prepayments of **USD 3,293** (2021: USD 3,293).

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

	2022 USD	2021 USD
Within one year	60,325	8,111,350
More than one year	8,000,000	-
	<u>8,060,325</u>	<u>8,111,350</u>

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. Market risk was not considered as being significant at the reporting date.

Interest rate risk

The Company has interest bearing financial assets and financial liabilities and as a result the Company is subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. The sensitivity analysis below has 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. The effect of any such increase/decrease was negligible at the reporting date (2021: USD Nil).

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements
for the year ended 31 March 2022

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

(a) Financial risk management (continued)

Interest rate risk (continued)

	Increase/ (decrease) in interest rates 2022 (basis point)	Effect on profit or loss after tax 2022 USD	Increase/ (decrease) in interest rates 2021 (basis point)	Effect on profit or loss after tax 2021 USD
Variable rate instruments	50	Negligible	50	Negligible
Variable rate instruments	(50)	Negligible	(50)	Negligible

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 confirmed that it will provide financial support if the Company is unable to meet its obligations associated with its running expenses and the loans as they fall due.

At 31 March 2022	Carrying amount USD	Less than 1 year USD	More than 1 year USD
Non-derivative financial instruments			
Loan payable	8,000,000	8,000,000	-
Trade and other payables	32,151	32,151	-
	8,032,151	8,032,151	-
At 31 March 2021	Carrying amount USD	Less than 1 year USD	More than 1 year USD
Non-derivative financial instruments			
Loan payable	8,000,000	8,000,000	-
Trade and other payables	64,575	64,575	-
	8,064,575	8,064,575	-

Tax payable of USD 1 for year ended 31 March 2022 (2021: USD Nil) has been excluded from the above.

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements

for the year ended 31 March 2022

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

(a) Financial risk management (continued)

The above 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 financial liabilities include cash and cash equivalents, and other payables which are realised or settled within a short-term period. The carrying amounts of these assets and liabilities approximate their fair values and hence no fair value hierarchy table has been disclosed.

(c) Financial instruments by category

As at 31 March 2022

	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<i>Financial assets not measured at fair value</i>			
Cash and cash equivalents	12,907	-	12,907
Other receivables	60,325	-	60,325
	<u>73,232</u>	<u>-</u>	<u>73,232</u>
<i>Financial liabilities not measured at fair value</i>			
Loan payable	-	8,000,000	8,000,000
Accruals and other payables	-	32,151	32,151
	<u>-</u>	<u>8,032,151</u>	<u>8,032,151</u>

As at 31 March 2021

	Financial assets at amortised cost USD	Financial liabilities at amortised cost USD	Total USD
<i>Financial assets not measured at fair value</i>			
Cash and cash equivalents	8,591	-	8,591
Other receivables	111,350	-	111,350
	<u>119,941</u>	<u>-</u>	<u>119,941</u>
<i>Financial liabilities not measured at fair value</i>			
Loan payable	-	8,000,000	8,000,000
Accruals and other payables	-	64,575	64,575
	<u>-</u>	<u>8,064,575</u>	<u>8,064,575</u>

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements for the year ended 31 March 2022

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

(d) Capital risk management

The Company's objective when managing capital is 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.

14. 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	2022 Volume of transactions USD	2021 Volume of transactions USD	2022 Closing balance debit / (credit) USD	2021 Closing balance debit / (credit) USD
Britannia and Associates (Dubai) Pvt. Company Limited (Direct Subsidiary)	Loan and advance	-	(3,000,000)	8,000,000	8,000,000
Britannia and Associates (Dubai) Pvt. Company Limited (Direct Subsidiary)	Interest on Loan	(55,064)	(81,377)	16,456	71,520
Britannia Industries Limited (Holding Company)	Corporate Guarantee fee	17,510	(33,900)	(17,690)	(35,200)
Britannia Dairy Holdings Pvt Ltd (Indirect Subsidiary)	Accounts receivable	3,999	6,610	43,829	39,830

The directors of the Company are also employees of Apex Fund Services (Mauritius) Ltd (the "Company Secretary") and hence are deemed to have interests in the Management Agreement between the Company and the Company Secretary.

Director fees for the year ended 31 March 2022 amount to **USD 2,150** (2021: USD 2,150).

Britannia and Associates (Mauritius) Pvt Ltd

Notes to the financial statements *for the year ended 31 March 2022*

15. Holding company

The Company is a wholly owned subsidiary of Britannia Industries Limited, a company incorporated in India and listed on the National Stock Exchange of India.

16. 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.

17. Going concern

The Directors acknowledge the current outbreak of Coronavirus (COVID-19) and its adverse economic impact on the countries, industries and markets in which the Company invests. The global impact of the outbreak is still evolving.

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

18. Subsequent events

The Directors are not aware of events after the end of the reporting date that would require disclosure or adjustments to these financial statements.