INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

This report is made solely to the members of Lake Minerals (Mauritius) Limited and its subsidiary (the "Group"), in accordance with the Companies Act 2001. My audit work has been undertaken so that I might state to the Company's members those matters I am required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for my audit work, for this report, or for opinions I have formed.

Report on the Financial Statements

I have audited the financial statements of Lake Minerals (Mauritius) Limited and its subsidiary shown on pages 4 to 23 which comprise the statement of financial position at March 31, 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the period then ended, and a summary of significant accounting policies and other explanatory notes.

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 Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the 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.

I did not audit the financial statements of the subsidiary which has been consolidated. These financial statements have been audited by other auditors whose reports have been furnished to us and our report as far as it relates to that subsidiary is based solely on the report of that subsidiary.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements on pages 4 to 23 give a true and fair view of the financial position of the Company and its subsidiary at March 31, 2016, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on Other Legal and Regulatory Requirements

I have no relationship with or interests in the Company and its subsidiaries, other than in my capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

I have obtained all information and explanations I have required.

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

Dwarka SOOCHIT F.C.C.A, F.C.M.A, C.G.M.A
Certified Accountant
Licensed by FRC
La Forge Avenue,
Palma Road
Quatre Bornes
Mauritius.

Date:- 20 MAY 2016

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2016

		THE GROUP		THE COMPANY	
	Notes	2016	2015	2016	2015
ASSETS		USD	USD	USD	USD
Non-Current Assets					
Intangible Assets	4	8,02,460	8,02,460	-	-
Investments in subsidiary	5	-	-	35,35,300	35,35,300
Property, plant & equipment	6	60,78,898	69,22,573	-	-
Preliminary Expenses		1,12,817	1,33,970	-	-
		69,94,175	78,59,003	35,35,300	35,35,300
Current Assets					
Inventories	7	6,76,027	8,14,564	-	-
Accounts Receivable	8	9,98,255	22,67,405	-	15,68,941
Cash and cash equivalents	9(a)	32,75,761	14,09,661	5,23,562	8,88,007
		49,50,043	44,91,630	5,23,562	24,56,948
Total Assets		1,19,44,218	1,23,50,633	40,58,862	59,92,248
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	10	26,75,000	26,75,000	26,75,000	26,75,000
Revenue reserve		47,17,728	42,44,157	8,92,068	19,06,954
Translation reserves		3,95,101	3,95,101	-	-
Equity attributable to owners of the Company		77,87,829	73,14,258	35,67,068	45,81,954
Preference share capital		-	14,00,000	-	14,00,000
Non-controlling Interest		3,45,183	2,66,843	-	-
TOTAL EQUITY		81,33,012	89,81,101	35,67,068	59,81,954
Non Current Liabilities					
Borrowings	11	-	19,96,667	-	-
Deferred Tax	12	8,03,872	8,64,680	-	-
		8,03,872	28,61,347	-	-
Current Liabilities					
Accounts Payable	13	7,18,489	4,09,748	10,294	10,294
Bank Overdraft	9(b)	16,78,589	48,713	-	-
Dividends	14	4,81,500	-	4,81,500	-
Current tax liabilities	15	1,28,756	49,724	-	-
TOTAL LIABILITIES		30,07,334	5,08,185	4,91,794	10,294
Total Equity and Liabilities		1,19,44,218	1,23,50,633	40,58,862	59,92,248

Approved by the Board of Directors on 20 MAY 2016

Director

Director

The notes on pages 8 to 23 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2016

	Notes	THE GROUP 2016 USD	THE GROUP 2015 USD	THE COMPANY 2016 USD	THE COMPANY 2015 USD
SALES		8,345,020	8,175,654	-	-
COST OF SALES		(4,745,494)	(4,986,042)	-	-
GROSS PROFIT		3,599,526	3,189,612	-	-
OTHER INCOME					
Profit on disposal of investments		-	2,846,478	-	2,846,478
Profit on sale of assets and liabilities		-	1,046	-	-
Profit on foreign exchange		303,802	-	-	-
		3,903,328	6,037,136	-	2,846,478
EXPENSES:					
Administrative expenses		66,241	6,750	11,714	6,750
Professional fees		49,413	73,425		7,080
Salaries, wages and other staff costs		554,645	477,505	-	-
Rent		178,155	56,398	-	-
Travelling expenses		482,305	418,504	-	-
Repairs and maintenance		74,392	91,175	-	-
Insurance		58,201	49,265	-	-
Depreciation		19,281	27,479	-	-
Bank charges and other charges		40,952	55,657	2,426	4,997
Loan interest		74,155	171,590		10,701
Accounting and audit fees		11,979	8,894	6,000	4,500
Loss on foreign exchange		-	65,949	-	-
Loss on sale of assets and liabilities		1,618	-	-	-
Other expenses		74,543	151,461	-	-
		1,685,880	1,654,052	20,140	34,028
Profit/(loss) before tax		2,217,448	4,383,084	(20,140)	2,812,450
Taxation	15	(670,791)	(461,131)	-	-
Profit/(loss) for the year		1,546,657	3,921,953	(20,140)	2,812,450
Other comprehensive income					
Translation difference		-	(1,319,600)	-	-
Total comprehensive income/(loss) for the year		1,546,657	2,602,353	(20,140)	2,812,450
Profit/(loss) for the year attibutable to:					
Equity holders of the parent		1,468,317	3,869,760	(20,140)	2,812,450
Non-controlling interests		78,340	52,193	-	-
		1,546,657	3,921,953	(20,140)	2,812,450
Total comprehensive income/(loss) attibutable to:					
Equity holders of the parent		1,468,317	2,612,858	(20,140)	2,812,450
Non-controlling interests		78,340	(10,505)	-	-
		1,546,657	2,602,353	(20,140)	2,812,450

The notes on pages 8 to 23 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2016

	Ordinary share capital USD	Preference share capital USD	Revenue reserve USD	Non-controlling interest USD	Translation reserves USD	Total USD
THE GROUP						
Balance at April 1, 2014	2,675,000	5,813,500	2,070,976	277,348	-	10,836,824
Issue of shares	-	700,000	-	-	-	700,000
Redemption of shares		(5,113,500)				(5,113,500)
Total comprehensive income/(loss) for the year	-	-	2,612,858	(10,505)	-	2,602,353
Dividends	-	-	(439,677)	-	-	(439,677)
Translation reserves	-	-	-	-	395,101	395,101
Balance at March 31, 2015	**2,675,000**	**1,400,000**	**4,244,157**	**266,843**	**395,101**	**8,981,101**
Redemption of shares	-	(1,400,000)	-	-	-	(1,400,000)
Total comprehensive income for the year	-	-	1,468,317	78,340	-	1,546,657
Dividends	-	-	(994,746)	-	-	(994,746)
Balance at March 31, 2016	**2,675,000**	**-**	**4,717,728**	**345,183**	**395,101**	**8,133,012**
THE COMPANY						
Balance at April 1, 2014	2,675,000	5,813,500	(465,819)	-	-	8,022,681
Issue of Shares	-	700,000	-	-	-	700,000
Redemption of shares	-	(5,113,500)	-	-	-	(5,113,500)
Total comprehensive income for the year	-	-	2,812,450	-	-	2,812,450
Dividends	-	-	(439,677)	-	-	(439,677)
Balance at March 31, 2015	**2,675,000**	**1,400,000**	**1,906,954**	**-**	**-**	**5,981,954**
Redemption of shares	-	(1,400,000)	-	-	-	(1,400,000)
Total comprehensive loss for the year	-	-	(20,140)	-	-	(20,140)
Dividends	-	-	(994,746)	-	-	(994,746)
Balance at March 31, 2016	**2,675,000**	**-**	**892,068**	**-**	**-**	**3,567,068**

The notes on pages 8 to 23 form an integral part of these financial statements.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2016

	Notes	THE GROUP 2016 USD	THE GROUP 2015 USD	THE COMPANY 2016 USD	THE COMPANY 2015 USD
Operating activities					
Cash generated from/(used in) operations	16(a)	4,908,256	1,288,805	1,548,801	(1,601,719)
Net cash generated from/(used in) operating activities		4,908,256	1,288,805	1,548,801	(1,601,719)
Taxation					
Tax paid		(652,567)	(467,598)	-	-
Investing activities					
Acquisition of property, plant & equipment		(133,593)	(384,949)	-	-
Proceeds from sale of property, plant & equipment		2,888	29,716	-	-
Proceeds from disposal of investments		-	8,320,494	-	8,320,494
Preliminary expenses		21,153	52,177	-	-
Net Cash flow from investing activities		(109,552)	8,017,438	-	8,320,494
Financing activities					
Proceeds from issue of shares		-	700,000	-	700,000
Redemption of preference shares		(1,400,000)	(5,113,500)	(1,400,000)	(5,113,500)
Dividend paid		(513,246)	(439,677)	(513,246)	(439,677)
Repayment of loan		(1,996,667)	(3,379,004)	-	(1,250,000)
Net cash flow from financing activities		(3,909,913)	(8,232,181)	(1,913,246)	(6,103,177)
Net cash and cash equivalents		236,224	606,464	(364,445)	615,598
Movements in cash and cash equivalents					
Cash and cash equivalents at beginning of the year	16(b)	1,360,948	754,484	888,007	272,409
Cash and cash equivalents at end of the year		1,597,172	1,360,948	523,562	888,007
Net cash and cash equivalents		236,224	606,464	(364,445)	615,598

The notes on pages 8 to 23 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

1. COMPANY PROFILE

Lake Minerals (Mauritius) Limited is a limited liability company incorporated and domiciled in Mauritius and has been granted a Category 1 Global Licence under the Financial Services Act, 2007.

The address of its registered office is Suite G12, St. James Court, St. Denis Street, Port Louis, Mauritius.

The principal activity of the Company is to act as investment holding.

The principal activity of the subsidiary is the manufacture of extra neutral alcohol for industrial purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The consolidated financial statements have been prepared under International Financial Reporting Standards and on the historical cost basis except that available-for-sale of financial assets are stated at their fair values. The directors have determined that the functional currency of the Group is the US Dollar (USD). The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Although these estimates are based on management's knowledge of current events and actions, actual results ultimately may differ from those estimates.

(b) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

(i) Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014.

- *Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities*

  The Company has applied the amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

  The amendments have been applied retrospectively. As the Company does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Company's financial statements. The Company has assessed whether certain of its financial assets and financial liabilities qualify for offset based on the criteria set out in the amendments and concluded that the application of the amendments has had no impact on the amounts recognised in the Company's financial statements.

- *Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets*

  The Company has applied the amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to IAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by IFRS 13 Fair Value Measurements.

  The application of these amendments has had no material impact on the disclosures in the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

(i) Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year (continued)

- *Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting*

  The Company has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

  The amendments have been applied retrospectively. As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Company's financial statements.

- *IFRIC 21 Levies*

  The Company has applied IFRIC 21 Levies for the first time in the current year. IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

  IFRIC 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Company's financial statements.

(ii) New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs and IAS that have been issued but are not yet effective:

- Amendments to IFRS 5 — Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRSs

Effective for annual periods beginning on or after 1 January 2016

- Amendments to IFRS 9 — Financial Instruments - Final version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition

Effective for annual periods beginning on or after 1 January 2018.

- Amendments to IFRS 12 — Disclosure of Interests in Other Entities - Amendments regarding the application of the consolidation exception.

Effective for annual periods beginning on or after 1 January 2016.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)

(ii) New and revised IFRSs in issue but not yet effective (continued)

- Amendments to IFRS 15 — Revenue from Contracts with Customers - Amendments to defer the effective date to 1 January 2018.

Effective for annual periods beginning on or after 1 January 2018.

- Amendments to IAS 1 — Presentation of Financial Statements - Amendments resulting the disclosure initiative.

Effective for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 16 — Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.

Effective for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 16 — Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16

Effective for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 27 — Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements

Effective for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 28 — Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception.

Effective for annual periods beginning on or after 1 January 2016.

- Amendments to IAS 28 — Investments in Associates and Joint Ventures - Amendments deferring the effective date of September 2014 amendments.

Effective for annual periods is immediately.

- Amendments to IAS 28 — Investments in Associates and Joint Ventures - Amendments regarding the clarification of acceptable methods of depreciation and amortisation.

Effective for annual periods beginning on or after 1 January 2016.

The directors anticipate that the application of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the Company.

(c) Investment in subsidiaries

Subsidiaries, are those entities (including special purpose entities) in which the Group 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 Group controls another entity.

Investment in subsidiary is shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount, then it is written down immediately to its recoverable amount and the difference is transferred to the profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is either charged or credited to the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at 31 March 2016 (commonly referred to as the "Group").

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Acquisitions of non-controlling interests are accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired is recognised in goodwill.

Disposals to non-controlling interest results in gains and losses for the group and are recorded in equity.

(e) Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured at cost being the excess of the cost of the business combination over the Group's share in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(f) Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in United States dollar ("USD"), which is also the currency of the primary economic environment in which the Company operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is decided based on the primary source of funding of the Company's operations, the economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Foreign currency translation (Cont'd)

The assets and liabilities of foreign operations are translated into United States dollar at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in other comprehensive income.

Group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the subsidiaries are expressed in USD using the exchange rate prevailing at the reporting date. The following exchange rates were applicable during the financial year:

As at 31 March 2016	USD/ Tanzanian Shilling 0.0005

Income and expense items are translated at the average exchange rate for the year unless exchange rates fluctuated significantly during the year, in which case the exchange rate at the dates of the transactions are used. The average exchange rate used during the current year was as follows:

Average rate for the year	USD/ Tanzanian Shilling 0.0005

(g) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(h) Stated capital

Ordinary shares are classified as equity.

(i) Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group has become a party to the contractual provisions of the financial statements.

Financial instruments are initially measured at fair value. Subsequent to the initial recognition, they are measured as set out below:

(i) Accounts receivable

Accounts receivables are classified at fair value

(ii) Borrowings

Borrowings are recorded at the proceeds received net of capital repayment.

(iii) Trade and other payables

Trade and other payables are stated at their nominal value.

Derecognition of financial instruments

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or

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

Equity instruments are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial instruments (Cont'd)

Derecognition of financial instruments (Cont'd)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Group's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

(j) Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(k) Impairment of non-financial assets

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Group estimates the recoverable amount of the asset being higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to the profit or loss.

Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight line method based on the purchase date, at rates estimated to write off the assets over their expected useful lives. The annual rates used are:

Motor vehicles	20%
Office equipments	25%
Plant and machinery	10%
Buildings	5%
Furniture and fittings	25%
IT equipment	25%

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

(o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Revenue exclude value added taxes and is arrived at after deduction of trade discounts. The following specific recognition criteria must also be met before the revenue is recognised:

Sale of goods

Revenue comprises of amounts invoiced during the year excluding value added tax and discounts.

Dividend income

Dividend income is recognised when the company's right to receive payment is established.

Interest income

Interest income is recognised when the amount is actually credited in the company's account.

(p) Expense recognition

Expenses are accounted for in the profit or loss on an accrual basis.

(q) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(r) Taxation

Income Tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statements because of items of income or expense that are taxable and deductible in other years and items that are never taxable or deductible. The Group's and the company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Taxation (cont'd)

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION

Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Group is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in Note 2, the directors have considered those factors described therein and have determined that the functional currency of the Group is the USD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

4. INTANGIBLE ASSETS

	THE GROUP		THE COMPANY	
	2016	**2015**	**2016**	**2015**
	USD	**USD**	**USD**	**USD**
As at April 01,	**802,460**	802,460	-	-
Acquisition/(disposal)	-	-	-	-
As at March 31,	**802,460**	802,460	-	-

The intangible assets are composed of goodwill acquired on acquisition of the subsidiary.

5. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2016	**2015**
	USD	**USD**
At April 01 ,	**3,535,300**	3,535,300
Acquisition	-	-
At March 31,	**3,535,300**	3,535,300

The directors estimate the fair value of the investments to be not less than USD3,535,300 as at the date of statement of financial position.

Details of investment in subsidiary are as follows:

			2016 and 2015	
Name of Company	**Country of Incorporation**	**Type of Share**	**Number of Shares**	**Percentage holding**
Kilimanjaro Biochem Limited	Tanzania	Equity	42,923	95.00%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

6(a). PROPERTY, PLANT AND EQUIPMENT

	Land	Motor vehicles	Buildings	Furniture & fixtures	Office Equipments	Plant and Machinery	IT equipment	Total
	USD	USD	USD	USD	USD	USD	USD	USD
COST								
At April 01, 2015	156,617	784,590	2,353,797	49,010	46,150	6,751,235	19,951	10,161,350
Addition during the year	-	16,429	12,682	188	5,791	91,868	6,635	133,593
Disposal	-	(2,888)	-	-	-	-	-	(2,888)
Translation difference	-	-	-	-	-	-	-	-
At March 31, 2016	**156,617**	**798,131**	**2,366,479**	**49,198**	**51,941**	**6,843,103**	**26,586**	**10,292,055**
DEPRECIATION								
At April 01, 2015	-	441,173	369,542	41,397	31,236	2,340,539	14,890	3,238,777
Charge for the year	-	157,837	117,930	6,947	8,231	679,332	4,103	974,380
Disposal	-	-	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-	-	-
At March 31, 2016	-	**599,010**	**487,472**	**48,344**	**39,467**	**3,019,871**	**18,993**	**4,213,157**
NET BOOK VALUE								
At March 31, 2016	156,617	199,121	1,879,007	854	12,474	3,823,232	7,593	6,078,898

6(b). PROPERTY, PLANT AND EQUIPMENT

	Land	Motor vehicles	Buildings	Furniture & fixtures	Office Equipments	Plant and Machinery	IT equipment	Total
	USD	USD	USD	USD	USD	USD	USD	USD
COST								
At April 01, 2014	186,533	821,260	2,676,604	58,812	44,585	7,955,604	23,941	11,767,339
Addition during the year	1,173	100,207	123,294	-	8,996	151,281	-	384,950
Disposal	-	-	-	-	-	(29,716)	-	(29,716)
Translation difference	(31,089)	(136,877)	(446,100)	(9,802)	(7,431)	(1,325,934)	(3,990)	(1,961,223)
At March 31, 2015	**156,617**	**784,590**	**2,353,798**	**49,010**	**46,150**	**6,751,235**	**19,951**	**10,161,350**
DEPRECIATION								
At April 01, 2014	-	360,185	305,809	34,973	25,197	2,006,641	11,882	2,744,687
Charge for the year	-	141,019	114,701	12,254	10,239	668,338	4,988	951,538
Disposal	-	-	-	-	-	-	-	-
Translation difference	-	(60,031)	(50,968)	(5,829)	(4,200)	(334,440)	(1,980)	(457,448)
At March 31, 2015	-	**441,173**	**369,542**	**41,398**	**31,236**	**2,340,539**	**14,890**	**3,238,777**
NET BOOK VALUE								
At March 31, 2015	156,617	343,418	1,984,256	7,613	14,914	4,410,696	5,061	6,922,573

7. INVENTORIES

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
Raw materials	622,235	776,082	-	-
Finished goods	53,792	38,482	-	-
	676,027	814,564	-	-

8. ACCOUNTS RECEIVABLE

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
Trade receivables	470,983	282,516	-	-
Tax recoverable	6,472	96,134	-	-
Advances to creditors	359,182	235,582	-	-
Loans, advances and deposits	138,192	79,498	-	-
Other receivables	23,426	1,573,675	-	1,568,941
	998,255	2,267,405	-	1,568,941

The carrying amount of trade and other receivables approximate their fair value.

9. CASH AND CASH EQUIVALENT

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
(a) Cash at bank	3,275,761	1,409,661	523,562	888,007
(b) Bank Overdraft	1,678,589	48,713	-	-

National Bank of Commerce has issued an overdraft to the Company for working capital requirement. The Overdraft limit is USD2,500,000 at an interest rate of NBC USD base rate i.e 7.60% per annum.

10. SHARE CAPITAL

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
At April 01,	2,675,000	2,675,000	2,675,000	2,675,000
Issue of shares during the year	-	-	-	-
At March 31,	2,675,000	2,675,000	2,675,000	2,675,000

Fully paid up ordinary shares have a par value of US$ 100 each and carry one voting right and a right to dividend.

11. BORROWINGS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
Loan from Citibank N.A	-	-	-	-
8.25% OFCDs Loan from Invictus Fuels Ltd (Subscription amount of USD1,500,000 for 15,000 Optionally Convertible Debentures from Invictus Biofuel Ltd, carrying an interest of 8.25% per annum payable annually on 31 March from date of its allotment till conversion)	-	-	-	-
Banco Products (India) Ltd (Loan of USD6,600,000 received from Banco Product (India) Ltd at an interest of 3 months libor+350 basis point with floor rate 7% annum against Assets of the Company, calculated on reducing balance for paying of existing debt from NBC, dar es Salaam and for setting up its distillery plant in Moshi region, Tanzania)	-	1,475,149	-	-
Term Loan I & M Bank (Term Loan of USD6,000,000 (The Term Loan Facility shall be drawn in tranches of minimum USD1,000,000 each) at an interest minimum of the Bank's Foreign Currency Base Rate minus 0.5% per annum (The Bank's current Foreign Currency Base Rate is 9% per annum). (The above loan is secured by a) Legal Charge/Mortgage for over Property known as Plot No. 265, Kifaru Village, Mwanga District, Tanzania b) fixed and Floating Debenture for the same.)	-	521,518	-	-
	-	1,996,667	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

11. BORROWINGS (CONT'D)

The periods to maturity of interest-bearing liabilities as at 31 March were as follows:

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
After one year but within three years	-	-	-	-
After three years	-	1,996,667	-	-
Total	-	1,996,667	-	-

12. DEFERRED TAX

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
At April 01,	(864,680)	(1,116,391)	-	-
Translation difference	-	186,065	-	-
Movement in deferred tax	60,808	65,646	-	-
At March 31,	(803,872)	(864,680)	-	-

13. ACCOUNTS PAYABLE

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
Trade payables	532,145	279,821	-	-
Advances from customers	55,663	104,926	-	-
Other payables & accruals	130,681	25,001	10,294	10,294
	718,489	409,748	10,294	10,294

The carrying amounts of payables approximate their fair value.

14. DIVIDENDS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	USD	USD	USD	USD
Amount due as at April 01,	-	-	-	-
Interim				
Equity shareholder	428,000	-	428,000	-
Redeemable Preference shareholder	85,246	439,677	85,246	439,677
Final				
Equity shareholder	481,500	-	481,500	-
	994,746	439,677	994,746	439,677
Paid during the year	(513,246)	(439,677)	(513,246)	(439,677)
Amount due at March 31,	481,500	-	481,500	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2016

15. TAXATION

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
(a)	**Statement of financial position**	USD	USD	USD	USD
	Provision for the year	731,599	526,777	-	-
	Tax payable/(overpaid) in previous year	49,724	(11,346)	-	-
	Tax paid	(652,567)	(467,597)	-	-
	Translation difference	-	1,890	-	-
	Tax payable	128,756	49,724	-	-

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
(b)	**Statement of Comprehensive income**	USD	USD	USD	USD
	Current tax on adjusted profit	731,599	526,777	-	-
	Movement in deferred tax (note 12)	(60,808)	(65,646)	-	-
	Tax charge	670,791	461,131	-	-

The Company being the holder of a Category 1, Global Business Licence, is liable to pay income tax in Mauritius on its chargeable income at the rate of 15%. It is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of the Mauritian tax chargeable on its foreign source income.

The company having a tax loss carried forward is not liable to tax for the year ending 31 March 2016.

The provision for tax made in the current year refers to provision for tax for the subsidiary company.

16. NOTES TO THE STATEMENT OF CASH FLOW

		THE GROUP		THE COMPANY	
		2016	2015	2016	2015
		USD	USD	USD	USD
(a)	**Cash generated from/(used in) operations**				
	Reconciliation of profit/(loss) before taxation to cash generated from/(used in) operations:				
	Profit/(Loss) for the year	2,217,448	4,383,084	(20,140)	2,812,450
	Adjustments for:				
	Profit on disposal of investments	-	(2,846,478)	-	(2,846,478)
	Depreciation	974,380	951,537	-	-
	Translation difference	-	395,101	-	-
	Changes in working capital:				
	- Accounts payable	308,741	(15,639)	-	1,250
	- Accounts receivable	1,269,150	(1,612,653)	1,568,941	(1,568,941)
	- Inventories	138,537	33,853	-	-
	Cash generated from operations	4,908,256	1,288,805	1,548,801	(1,601,719)

		2016	2015	2016	2015
(b)	**Cash and cash equivalents**	USD	USD	USD	USD
	Cash at Bank	3,275,761	1,409,661	523,562	888,007
	Bank Overdraft	(1,678,589)	(48,713)	-	-
		1,597,172	1,360,948	523,562	888,007

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows. The Group is primarily exposed to interest rate risk from its borrowings.

	USD
Current	
Bank overdraft	1,678,589
	1,678,589

THE COMPANY

The Company's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is cash and cash equivalents. Interest income from cash and cash equivalents may fluctuate in amount, in particular due to changes in market interest rates. In view of the small average balance held in money market assets, the directors are of opinion that interest rate changes will not have a material impact on the Company's net profit and equity.

(b) *Foreign currency risk*

The Company has investments which is denominated in foreign currencies. Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to the foreign currencies may change in a manner which has a material effect on the reported values of the Company's investments.

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

As at 31 March, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2016	**2015**	**2016**	**2015**
	USD	**USD**	**USD**	**USD**
Tanzanian Shilling				
Investments	-	-	**3,535,300**	3,535,300
Fixed assets	**6,078,898**	6,922,573	-	-
Cash and cash equivalents	**2,752,199**	1,137,252	-	-
Trade and other receivables	**998,255**	698,464	-	-
Interest-bearing liabilities	-	(1,996,667)	-	-
Trade accounts payable	**(708,195)**	(399,454)	-	-
Gross balance sheet exposure	**9,121,157**	6,362,168	**3,535,300**	3,535,300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due. The credit risk arises from cash and cash equivalents. At the statement of financial position date, the Group has no significant credit risk.

(d) *Liquidity risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of trade and other accounts receivables is taken to approximate the carrying value.

As at 31 March 2016, the financial assets and liabilities have fair values that do not differ significantly from the amounts recorded in the statement of financial position.

18. RELATED PARTY DISCLOSURES

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

Significant transactions for the year 31 March 2016 with related parties were as follows:

	THE GROUP		THE COMPANY	
	2016	**2015**	**2016**	**2015**
	USD	**USD**	**USD**	USD
Loans from related parties				
Banco Products (India) Limited	-	**1,475,149**	-	-

19. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

20. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period which may have a material effect on the financial statements as at 31 March 2016.

21. HOLDING COMPANY

The Company is controlled by Banco Products (India) Ltd, a Company listed on the Bombay Stock Exchange and National Stock Exchange of India which owns 100% of the Company's share capital.