
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 22 which comprise the statement of financial position at March 31, 2015, 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.

Emphasis of matter

As explained in Note 2(s), the financial statements include investments in companies which are not listed or quoted. The fair values of these investments have been estimated by directors in the absence of readily determinable fair values. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from the estimated valuation and such differences could be material.

Opinion

Subject to the above, in my opinion, the financial statements on pages 4 to 22 give a true and fair view of the financial position of the Company and its subsidiary at March 31, 2015, 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:- 19 MAY 2015

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2015

	Notes	THE GROUP		THE COMPANY	
		2015 USD	2014 USD	2015 USD	2014 USD
ASSETS					
Non-Current Assets					
Intangible Assets		802,460	802,460	-	-
Investments in subsidiary	4	-	-	3,535,300	3,535,300
Available-for-sale Investments	5	-	5,474,016	-	5,474,016
Property, plant & equipment	6	6,922,573	9,022,652	-	-
Preliminary Expenses		133,970	186,147	-	-
		<u>7,859,003</u>	<u>15,485,275</u>	<u>3,535,300</u>	<u>9,009,316</u>
Current Assets					
Inventories	7	814,564	848,417	-	-
Accounts Receivable	8	2,267,405	666,097	1,568,941	-
Cash at Bank		1,409,661	754,484	888,007	272,409
		<u>4,491,630</u>	<u>2,268,998</u>	<u>2,456,948</u>	<u>272,409</u>
Total Assets		<u>12,350,633</u>	<u>17,754,273</u>	<u>5,992,248</u>	<u>9,281,725</u>
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	9	2,675,000	2,675,000	2,675,000	2,675,000
Retained Earnings		4,244,157	2,070,976	1,906,954	(465,819)
Translation reserves		395,101	-	-	-
Equity attributable to owners of the Company		<u>7,314,258</u>	<u>4,745,976</u>	<u>4,581,954</u>	<u>2,209,181</u>
Preference share capital		1,400,000	5,813,500	1,400,000	5,813,500
Non-controlling Interest		266,843	277,348	-	-
TOTAL EQUITY		<u>8,981,101</u>	<u>10,836,824</u>	<u>5,981,954</u>	<u>8,022,681</u>
Non Current Liabilities					
Borrowings	10	1,996,667	5,375,671	-	1,250,000
Deferred Tax	11	864,680	1,116,391	-	-
		<u>2,861,347</u>	<u>6,492,062</u>	<u>-</u>	<u>1,250,000</u>
Current Liabilities					
Accounts Payable	12	409,748	425,387	10,294	9,044
Bank Overdraft		48,713	-	-	-
Current tax liabilities	13	49,724	-	-	-
TOTAL LIABILITIES		<u>508,185</u>	<u>425,387</u>	<u>10,294</u>	<u>9,044</u>
Total Equity and Liabilities		<u>12,350,633</u>	<u>17,754,273</u>	<u>5,992,248</u>	<u>9,281,725</u>

The financial statements have been approved for issue by the Board of Directors on:

19 MAY 2015

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) DIRECTORS
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)

The notes on pages 8 to 22 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2015**

	Notes	THE GROUP		THE COMPANY	
		2015	2014	2015	2014
		USD	USD	USD	USD
SALES		8,175,654	9,202,765	-	-
COST OF SALES		(4,986,042)	(5,806,253)	-	-
GROSS PROFIT		3,189,612	3,396,512	-	-
OTHER INCOME					
Profit on disposal of investments		2,846,478	-	2,846,478	-
Profit on sale of assets and liabilities		1,046	-	-	-
		6,037,136	3,396,512	2,846,478	-
EXPENSES:					
Administrative expenses		6,750	6,750	6,750	6,750
Professional fees		73,425	-	7,080	-
Salaries, wages and other staff costs		477,505	497,220	-	-
Rent		56,398	41,074	-	-
Travelling expenses		418,504	156,587	-	-
Repairs and maintenance		91,175	-	-	-
Vehicle running expenses		-	89,488	-	-
Insurance		49,265	65,555	-	-
Depreciation		27,479	31,327	-	-
Bank charges and other charges		55,657	49,229	4,997	31,905
Loan interest		171,590	442,175	10,701	64,964
Accounting and Audit fees		8,894	9,121	4,500	4,200
Loss on Exchange		65,949	67,480	-	-
Other expenses		151,461	652,168	-	-
		1,654,052	2,108,174	34,028	107,819
PROFIT/(LOSS) BEFORE TAX		4,383,084	1,288,338	2,812,450	(107,819)
Translation Difference		(1,319,600)	-	-	-
		3,063,484	1,288,338	2,812,450	(107,819)
Taxation	13	(461,131)	(426,228)	-	-
PROFIT/(LOSS) FOR THE YEAR		2,602,353	862,110	2,812,450	(107,819)
Profit/(loss) for the year attributable to:					
Equity holders of the parent		2,612,858	813,614	2,812,450	(107,819)
Non-controlling interests		(10,505)	48,496	-	-
		2,602,353	862,110	2,812,450	(107,819)

The notes on pages 8 to 22 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2015**

	Ordinary Share Capital	Preference Share Capital	Retained Earnings	Non- controlling Interest	Translation Reserves	Total
	USD	USD	USD	USD	USD	USD
THE GROUP						
Balance at April 1, 2013	2,675,000	3,013,500	1,257,362	228,852	-	7,174,714
Issue of shares	-	2,800,000	-	-	-	2,800,000
Profit for the year	-	-	813,614	-	-	813,614
Non-controlling Interest	-	-	-	48,496	-	48,496
Balance at March 31, 2014	2,675,000	5,813,500	2,070,976	277,348	-	10,836,824
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
Profit for the year	-	(5,113,500)	2,612,858	-	-	(2,500,642)
Dividend paid	-	-	(439,677)	-	-	(439,677)
Non-controlling Interest	-	-	-	(10,505)	-	(10,505)
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
THE COMPANY						
Balance at April 1, 2013	2,675,000	3,013,500	(358,000)	-	-	5,330,500
Issue of Shares	-	2,800,000	-	-	-	2,800,000
Loss for the year	-	-	(107,819)	-	-	(107,819)
Balance at March 31, 2014	2,675,000	5,813,500	(465,819)	-	-	8,022,681
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)
Loss for the year	-	-	2,812,450	-	-	2,812,450
Dividend paid	-	-	(439,677)	-	-	(439,677)
Balance at March 31, 2015	2,675,000	1,400,000	1,906,954	-	-	5,981,954

The notes on pages 8 to 22 form an integral part of these financial statements.
Auditors' report on pages 3 and 3(a).

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2015

	Notes	THE GROUP		THE COMPANY	
		2015	2014	2015	2014
		USD	USD	USD	USD
Operating Activities					
Cash generated from operations	14(a)	1,288,805	2,330,532	(1,601,719)	(104,369)
Net cash generated from operating activities		1,288,805	2,330,532	(1,601,719)	(104,369)
Taxation					
Tax paid		(467,598)	(120,665)	-	-
Investing Activities					
Acquisition of investments		-	-	-	-
Acquisition of property, plant & equipment		(384,949)	(482,951)	-	-
Proceeds from sale of property, plant & equipment		29,716	1,648	-	-
Proceeds from disposal of investments		8,320,494	-	8,320,494	-
Capital work in progress		-	(41,642)	-	-
Preliminary expenses		52,177	25,384	-	-
Payment for intangible assets		-	-	-	-
Net Cash Flow from investing activities		8,017,438	(497,561)	8,320,494	-
Financing Activities					
Proceeds from issue of shares		700,000	2,800,000	700,000	2,800,000
Redemption of preference shares		(5,113,500)	-	(5,113,500)	-
Dividend paid		(439,677)	-	(439,677)	-
Borrowings		-	(4,052,485)	-	(2,500,000)
Repayment of loan		(3,379,004)	-	(1,250,000)	-
Net Cash Flow from financing activities		(8,232,181)	(1,252,485)	(6,103,177)	300,000
Increase in cash and cash equivalents		606,464	459,821	615,598	195,631
Cash and Bank Balances as at 31 March					
Cash at bank	14(b)	1,409,661	754,484	888,007	272,409
Bank Overdraft		(48,713)	-	-	-
		1,360,948	754,484	888,007	272,409
LESS: Cash and Bank Balance previous year					
Cash at bank		754,484	348,596	272,409	76,778
Bank Overdraft		-	(53,933)	-	-
		754,484	294,663	272,409	76,778
Increase in cash and cash equivalents		606,464	459,821	615,598	195,631

The notes on pages 8 to 22 form an integral part of these financial statements.

Auditors' report on pages 3 and 3(a).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

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 United States dollars (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,

(b) Adoption of New and Revised Standards

In the current period, the Company has adopted all of the new and revised IFRS and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 April 2014. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Company's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but effective on annual periods beginning on or after the respective dates as indicated.

IAS 1	Presentation of Financial Statement - Amendments resulting from the disclosure initiative - (effective 01 January 2016)
IAS 16	Property, Plant and Equipment - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation) - (effective 01 July 2014)
IAS 16	Property, Plant and Equipment - Amendments regarding classification of acceptable methods of depreciation and amortisation - (effective 01 January 2016)
IAS 16	Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16 - (effective 01 January 2016)
IAS 19	Employee Benefits - Amended to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service - (Effective 1 July 2014)
IAS 19	Employee Benefits - Amended resulting from September 2014 Annual Improvements to IFRSs - (Effective 1 January 2016)
IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities) - (Effective 1 July 2014)
IAS 27	Separate Financial Statements (as amended in 2011) - Amendments reinstating the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective 1 January 2016)
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associates or joint venture (effective 1 January 2016)
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the application of the consolidation exception (effective 1 January 2016)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of New and Revised Standards (CONT'D)

IAS 38	Intangible Assets - Amendments resulting from Annual Improvements 2010-2012 Cycle (proportionate restatement of accumulated depreciation on revaluation - (Effective 1 July 2014)
IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation - (Effective 1 January 2016)
IAS 40	Investment Property - Amendments resulting from Annual Improvements 2011-2013 Cycle (interrelationship between IFRS 3 and IAS 40 - (Effective 01 July 2014)
IFRS 2	Share-based Payment - Amendments resulting from Annual Improvements 2010-2012 Cycle (definition of 'vesting condition') - (Effective 1 July 2014)
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2010-2012 Cycle (accounting for contingent consideration) - (Effective 1 July 2014)
IFRS 3	Business Combinations - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope exception for joint ventures) - (Effective 1 July 2014)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from September 2014 Annual Improvements to IFRS (effective 1 January 2016)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2015)
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)
IFRS 8	Operating Segments - Amendments resulting from Annual Improvements 2010-2012 Cycle (aggregation of segments, reconciliation of segment assets - (Effective 1 July 2014)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition - (Effective 1 January 2018). Note: IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before 1 February 2015.
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture - (effective 1 January 2016)
IFRS 11	Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation - (effective 1 January 2016)
IFRS 12	Disclosures of Interests in Other Entities - Amendments regarding the application of the consolidation exception - (effective 1 January 2016)
IFRS 13	Fair value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52) - (effective 1 July 2014)
IFRS 14	Regulatory Deferral Account - Original Issue - Applies to an entity's first annual IFRS financial statements (effective 1 January 2016)
IFRS 15	Revenue from Contracts with Customers - Original Issue - Applies to an entity's first annual IFRS financial statements (effective 1 January 2017)

The directors anticipate that the adoption of these Standards and Interpretations 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

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 2013 (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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

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 2015 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 receivables

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, 2015**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

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%
Building and Civil works	5%
Furniture and fittings	25%
Computers	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, 2015**

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.

(s) Investments

The financial statements include investments in companies which are not listed or quoted. The fair values of these investments have been estimated by the directors in the absence of readily determinable fair values. Because of the inherent uncertainty of the valuation of these investments, the actual proceeds from disposal of such investments could differ from these estimated valuations and such differences could be material.

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, 2015

4. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2015	2014
	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 as at 31 March 2015 are as follows:

Name of Company	Country of Incorporation	Type of Share	Number of Shares	Percentage holding	Cost
					USD
Kilimanjaro Biochem Limited	Tanzania	Equity	42,923	95.00%	3,535,300
					3,535,300

5. AVAILABLE-FOR-SALE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
At April 01 ,	5,474,016	5,474,016	5,474,016	5,474,016
Disposal	(5,474,016)	-	(5,474,016)	-
At March 31,	-	5,474,016	-	5,474,016

During the year, the Company disposed of the investments held in Lake Cement Limited for a total consideration of USD8,320,494.

LAKE MINERALS (MAURITIUS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

6(a). PROPERTY, PLANT AND EQUIPMENT

	Lease Hold Land	Motor vehicles	Building and Civil Works	Furniture & fixtures	Office Equipments	Plant and Machinery	Computer & Peripherals	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	123,293	-	8,996	151,281	-	384,949
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	2,353,797	49,010	46,150	6,751,235	19,951	10,161,349
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	12,253	10,239	668,338	4,988	951,537
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	41,397	31,236	2,340,539	14,890	3,238,776
NET BOOK VALUE								
At March 31, 2015	156,617	343,418	1,984,255	7,614	14,914	4,410,696	5,061	6,922,573

LAKE MINERALS (MAURITIUS) LIMITED AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

6(b). PROPERTY, PLANT AND EQUIPMENT

	Lease Hold Land	Motor vehicles	Building and Civil Works	Furniture & fixtures	Office Equipments	Plant and Machinery	Computer & Peripherals	Total
	USD	USD	USD	USD	USD	USD	USD	USD
COST								
At April 01, 2013	171,533	710,282	2,359,773	57,156	43,655	7,758,329	22,603	11,123,330
Addition during the year	-	113,016	168,736	1,656	931	197,275	1,338	482,952
Transfer from Capital WIP	15,000	-	148,095	-	-	-	-	163,095
Disposal	-	(2,038)	-	-	-	-	-	(2,038)
At March 31, 2014	186,533	821,260	2,676,604	58,812	44,585	7,955,604	23,941	11,767,339
DEPRECIATION								
At April 01, 2013	-	201,827	182,150	20,494	14,132	1,227,292	6,100	1,651,994
Charge for the year	-	158,749	123,659	14,479	11,065	779,349	5,782	1,093,084
Disposal	-	(391)	-	-	-	-	-	(391)
At March 31, 2014	-	360,185	305,809	34,973	25,197	2,006,641	11,882	2,744,687
NET BOOK VALUE								
At March 31, 2014	186,533	461,074	2,370,795	23,839	19,388	5,948,963	12,059	9,022,652

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

7. INVENTORIES	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Raw materials	776,083	770,318	-	-
Finished goods	38,482	78,098	-	-
	814,564	848,417	-	-

8. ACCOUNTS RECEIVABLE	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Trade receivables	282,517	199,156	-	-
Tax recoverable	96,134	11,346	-	-
Advances to creditors	235,582	353,705	-	-
Loans, advances and deposits	79,498	101,890	-	-
Other receivables	1,573,675	-	1,568,941	-
	2,267,405	666,097	1,568,941	-

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

9. SHARE CAPITAL	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	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.

10. BORROWINGS	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Loan from Citibank N.A	-	1,250,000	-	1,250,000
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	3,228,786	-	-
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	896,885	-	-
	1,996,667	5,375,671	-	1,250,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

10. BORROWINGS (CONT'D)

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

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
After one year but within three years	-	1,250,000	-	1,250,000
After three years	1,996,667	4,125,671	-	-
Total	1,996,667	5,375,671	-	1,250,000

11. DEFERRED TAX

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
At April 01,	(1,116,391)	(800,022)	-	-
Translation difference	186,065	-	-	-
Movement in deferred tax	65,646	(316,369)	-	-
At March 31,	(864,680)	(1,116,391)	-	-

12. ACCOUNTS PAYABLE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
Trade payables	279,822	256,238	-	-
Advances from customers	104,926	52,411	-	-
Other payables & accruals	25,001	116,737	10,294	9,044
	409,748	425,387	10,294	9,044

The carrying amounts of payables approximate their fair value.

13. TAXATION

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
(a) Statement of financial position				
Provision for the year	526,777	109,859	-	-
Tax overpaid in previous year	(11,346)	(540)	-	-
Tax paid	(467,597)	(120,665)	-	-
Translation difference	1,890	-	-	-
Total	49,724	(11,346)	-	-
	2015	2014	2015	2014
	USD	USD	USD	USD
(b) Statement of Comprehensive income				
Current tax on adjusted profit	526,777	109,859	-	-
Movement in deferred tax (note 11)	(65,646)	316,369	-	-
Tax charge	461,131	426,228	-	-

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 2015.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

14. NOTES TO THE STATEMENT OF CASH FLOW

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
(a) Cash generated from operations				
Reconciliation of profit before taxation to cash generated from operations:				
Profit/Loss for the year/period	4,383,084	1,288,338	2,812,450	(107,819)
Adjustments for:				
Profit on disposal of investments	(2,846,478)	-	(2,846,478)	
Depreciation	951,537	1,093,084	-	-
Deferred Tax		-	-	-
Translation difference	395,101			
Changes in working capital:				
- Accounts payable	(15,639)	(110,342)	1,250	3,450
- Accounts receivable	(1,612,653)	(914)	(1,568,941)	-
- Inventories	33,853	60,366	-	-
Cash generated from operations	<u>1,288,805</u>	<u>2,330,532</u>	<u>(1,601,719)</u>	<u>(104,369)</u>
(b) Cash and cash equivalents				
	2015	2014	2015	2014
	USD	USD	USD	USD
Cash at Bank	1,409,661	754,484	888,007	272,409
Bank Overdraft	(48,713)	-	-	-
	<u>1,360,948</u>	<u>754,484</u>	<u>888,007</u>	<u>272,409</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

15 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
Non-current	
Long-term loans from financial institutions	521,518
Other loans	1,475,149
	1,996,667

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	
	2015	2014	2015	2014
	USD	USD	USD	USD
Tanzanian Shilling				
Investments	-	5,474,016	3,535,300	9,009,316
Fixed assets	6,922,573	9,022,652	-	-
Cash and cash equivalents	1,137,252	482,075	-	-
Trade and other receivables	698,464	666,097	-	-
Interest-bearing liabilities	(1,996,667)	(4,125,671)	-	-
Trade accounts payable	(399,454)	(416,343)	-	-
Gross balance sheet exposure	6,362,168	11,102,826	3,535,300	9,009,316

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015**

15. 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 2015, the financial assets and liabilities have fair values that do not differ significantly from the amounts recorded in the statement of financial position.

16. 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 2015 with related parties were as follows:

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	USD	USD	USD	USD
<i>Loans from related parties</i>				
Banco Products (India) Limited	1,475,149	3,228,786	-	-

17. 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.

18. 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.