

LAKE MINERALS (MAURITIUS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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**COMPANY NAME**

LAKE MINERALS (MAURITIUS) LIMITED

**DIRECTORS: -**

Mehul K Patel  
Virrsing Ramdeny  
Koosoom Newoor

Date of appointment

1 November 2010  
1 November 2010  
1 November 2010

Date of resignation

-  
-  
-

**SECRETARY: -**

Associated Consultants Ltd

**REGISTERED OFFICE: -**

Gfin Tower, Level 3  
42 Hotel Street  
Cybercity  
Ebene  
Mauritius

**BANKERS**

SBM Bank (Mauritius) Ltd

**AUDITORS: -**

BIT Associates  
Chartered Certified Accountants & Registered Auditors  
1 E Ground Floor, Buswell Avenue,  
St Jean Road,  
Quatre Bornes,  
Republic of Mauritius.

FOR THE YEAR ENDED MARCH 31, 2018

COMMENTARY OF THE DIRECTORS

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The directors present their report, together with the audited consolidated financial statements of Lake Minerals (Mauritius) Limited and its subsidiary for the year ended 31 March 2018.

**PRINCIPAL ACTIVITY**

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.

**RESULTS**

The results for the year of the Group are set out in the statement of comprehensive income.

The directors have recommended a payment of dividend of USD 3,585,148 for the year under review {2017: dividend Nil}.

**DIRECTORS**

The present composition of the Board is set out on page 1.

**DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

The Group's and Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the consolidated statements of financial position at 31 March 2018, and the consolidated statement of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended, and the notes to the consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Companies Act 2001.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these consolidated 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.

The directors have made an assessment of the Group's and Company's ability to continue as a going concern and have all reasons to believe the business will continue as going concern in the forthcoming year.

**AUDITORS**

The auditors, BIT Associates, have expressed their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual Meeting of Shareholders.

By order of the Board



SECRETARY

Date: 25 MAY 2018

**CERTIFICATE FROM THE SECRETARY  
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001**

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We certify that, to the best of our knowledge and belief, the Company has filed with The Registrar of Companies, during the financial year ended March 31, 2018 all such returns as are required for a company under the Companies Act 2001.

*K Newman*

.....  
For and on behalf of Associated Consultants Ltd  
Company Secretary

Date: 25 MAY 2018

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
LAKE MINERALS (MAURITIUS) LIMITED****Report on the Audit of the Financial Statements**

This report is made solely to the members of LAKE MINERALS (MAURITIUS) LIMITED (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Opinion**

We have audited the consolidated financial statements of LAKE MINERALS (MAURITIUS) LIMITED (the Company), set out on pages 4 to 24 which comprise the statement of financial position as at March 31, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 3 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence.

In our opinion, the financial statements on pages 4 to 24 give a true and fair view of the financial position of the company as at March 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis for opinion**

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

**Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 3 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
LAKE MINERALS (MAURITIUS) LIMITED*****Responsibilities of the Directors for the Financial Statements (continued)***

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

3(b)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
LAKE MINERALS (MAURITIUS) LIMITED**

**Report on Other Legal and Regulatory Requirements**

*Companies Act 2001*

We have no relationship with, or interests in, the Company, other than in our capacity as auditors, and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

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

*Bit Associates*

**BIT ASSOCIATES**  
Chartered Certified Accountants  
& Registered Auditors

Quatre Bornes,  
Mauritius



**DWARKA SOOCHIT, FCCA, FCMA, CGMA**  
Licensed by FRC

Date: 25 MAY 2018

## LAKE MINERALS (MAURITIUS) LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2018

	Notes	THE GROUP	
		2018 USD	2017 USD
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible Assets	5	802,460	802,460
Investments in subsidiary	6	-	-
Property, plant & equipment	7	3,778,476	4,845,967
Preliminary Expenses		56,408	80,664
		<u>4,637,344</u>	<u>5,729,091</u>
<b>Current Assets</b>			
Inventories	8	1,102,928	445,867
Accounts Receivable	9	1,153,462	1,069,999
Cash and cash equivalents	10(a)	162,917	3,587,511
		<u>2,419,307</u>	<u>5,103,377</u>
<b>Total Assets</b>		<u><b>7,056,651</b></u>	<u><b>10,832,468</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share Capital	11	2,675,000	2,675,000
Revenue reserve		2,022,271	5,585,061
Translation reserves		(205,260)	136,799
Equity attributable to owners of the Company		<u>4,492,011</u>	<u>8,396,860</u>
Non-controlling interest		393,601	391,528
<b>TOTAL EQUITY</b>		<u><b>4,885,612</b></u>	<u><b>8,788,388</b></u>
<b>Non Current Liabilities</b>			
Deferred Tax	12	422,500	587,541
		<u>422,500</u>	<u>587,541</u>
<b>Current Liabilities</b>			
Accounts Payable	13	470,475	715,669
Bank Overdraft	10(b)	570,358	606,507
Borrowings	14	673,419	-
Current tax liabilities	15	34,287	134,363
<b>TOTAL LIABILITIES</b>		<u><b>1,748,539</b></u>	<u><b>1,456,539</b></u>
<b>Total Equity and Liabilities</b>		<u><b>7,056,651</b></u>	<u><b>10,832,468</b></u>

Approved by the Board of Directors on 25 MAY 2018 and signed on its behalf by:

*K. Newman*  
Director

*W. J. ...*  
Director

The notes on pages 8 to 24 form an integral part of these financial statements.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED MARCH 31, 2018

	Notes	THE GROUP		THE COMPANY	
		2018 USD	2017 USD	2018 USD	2017 USD
SALES		6,844,554	7,428,494	-	-
DIVIDEND RECEIVED		-	-	3,453,382	-
COST OF SALES		(4,901,884)	(3,781,309)	-	-
<b>GROSS PROFIT</b>		<b>1,942,670</b>	<b>3,647,185</b>	<b>3,453,382</b>	<b>-</b>
<b>OTHER INCOME</b>					
Interest income		104,103	116,458	-	-
Profit on foreign exchange		-	103,213	-	-
		<b>2,046,773</b>	<b>3,866,856</b>	<b>3,453,382</b>	<b>-</b>
<b>EXPENSES:</b>					
Administrative expenses		11,400	7,300	11,400	7,300
Salaries, wages and other staff costs		-	499,117	-	-
Bank and other charges		19,201	31,753	375	420
Accounting and audit fees		5,250	5,500	5,250	5,500
Loss on sale of assets and liabilities		4,171	-	-	-
Other expenses		1,400,352	1,130,049	-	-
		<b>1,440,374</b>	<b>1,673,719</b>	<b>17,025</b>	<b>13,220</b>
<b>Profit/(loss) before tax</b>		<b>606,399</b>	<b>2,193,137</b>	<b>3,436,357</b>	<b>(13,220)</b>
Taxation	15	(199,720)	(661,907)	-	-
<b>Profit/(loss) for the year</b>		<b>406,679</b>	<b>1,531,230</b>	<b>3,436,357</b>	<b>(13,220)</b>
<b>Other comprehensive income</b>					
Translation difference		(382,248)	(617,552)	-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>24,431</b>	<b>913,678</b>	<b>3,436,357</b>	<b>(13,220)</b>
<b>Profit/(loss) for the year attributable to:</b>					
Equity holders of the parent		385,494	1,460,001	3,436,357	(13,220)
Non-controlling interests		21,185	71,229	-	-
		<b>406,679</b>	<b>1,531,230</b>	<b>3,436,357</b>	<b>(13,220)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the parent		22,358	867,333	3,436,357	(13,220)
Non-controlling interests		2,073	46,345	-	-
		<b>24,431</b>	<b>913,678</b>	<b>3,436,357</b>	<b>(13,220)</b>

The notes on pages 8 to 24 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2018

	Notes	Ordinary share capital USD	Revenue reserve USD	Non- controlling interest USD	Translation reserves USD	Total USD
<u>THE GROUP</u>						
Balance at April 1, 2016		2,675,000	4,717,728	345,183	395,101	8,133,012
Total comprehensive income for the year		-	867,333	46,345	-	913,678
Translation reserves		-	-	-	(258,302)	(258,302)
<b>Balance at March 31, 2017</b>		<b>2,675,000</b>	<b>5,585,061</b>	<b>391,528</b>	<b>136,799</b>	<b>8,788,388</b>
Total comprehensive income for the year		-	22,358	2,073	-	24,431
Dividends	16		(3,585,148)			(3,585,148)
Translation reserves		-	-	-	(342,059)	(342,059)
<b>Balance at March 31, 2018</b>		<b>2,675,000</b>	<b>2,022,271</b>	<b>393,601</b>	<b>(205,260)</b>	<b>4,885,612</b>
<u>THE COMPANY</u>						
Balance at April 1, 2016		2,675,000	892,068	-	-	3,567,068
Total comprehensive loss for the year		-	(13,220)	-	-	(13,220)
<b>Balance at March 31, 2017</b>		<b>2,675,000</b>	<b>878,848</b>	<b>-</b>	<b>-</b>	<b>3,553,848</b>
Total comprehensive loss for the year		-	3,436,357	-	-	3,436,357
Dividends	16		(3,424,000)			(3,424,000)
<b>Balance at March 31, 2018</b>		<b>2,675,000</b>	<b>891,205</b>	<b>-</b>	<b>-</b>	<b>3,566,205</b>

The notes on pages 8 to 24 form an integral part of these financial statements.

STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED MARCH 31, 2018

	Notes	THE GROUP		THE COMPANY	
		2018 USD	2017 USD	2018 USD	2017 USD
<b>Operating activities</b>					
Cash generated from/(used in) operations	17(a)	30,122	2,929,056	3,439,357	(14,220)
Net cash generated from/(used in) operating activities		30,122	2,929,056	3,439,357	(14,220)
<b>Taxation</b>					
Tax paid		(399,208)	(760,715)	-	-
<b>Investing activities</b>					
Acquisition of property, plant & equipment		(151,846)	(375,755)	-	-
Proceeds from sale of property, plant & equipment		27,294	40,592	-	-
Preliminary expenses		16,922	32,154	-	-
Net Cash flow from investing activities		(107,630)	(303,009)	-	-
<b>Financing activities</b>					
Bank loan		673,419	-	-	-
Dividend paid		(3,585,148)	(481,500)	(3,424,000)	(481,500)
Net cash flow from financing activities		(2,911,729)	(481,500)	(3,424,000)	(481,500)
<b>Net cash and cash equivalents</b>		<b>(3,388,445)</b>	<b>1,383,832</b>	<b>15,357</b>	<b>(495,720)</b>
<b>Movements in cash and cash equivalents</b>					
Cash and cash equivalents at beginning of the year		2,981,004	1,597,172	27,842	523,562
Cash and cash equivalents at end of the year	17(b)	(407,441)	2,981,004	43,199	27,842
<b>Net cash and cash equivalents</b>		<b>(3,388,445)</b>	<b>1,383,832</b>	<b>15,357</b>	<b>(495,720)</b>

The notes on pages 8 to 24 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

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**1. CORPORATE INFORMATION**

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 Gfin Tower, Level 3, 42 Hotel Street Cybercity, Ebene, 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. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

**2.1 Amendments to IFRSs that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2017.

**Amendments to IAS 7 Disclosure Initiative**

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

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

**Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The Company has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Company's financial statements as the Company already assesses the sufficiency of future taxable profits in a way that is consistent with these amendments.

**Annual Improvements to IFRSs 2014-2016 Cycle**

The Company has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Company.

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**

**2.2 New and Revised IFRSs issued but not yet effective**

As at the date of these financial statements, the following new and revised IFRSs that are relevant to the Company's operations have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
IFRS 9 - Financial Instruments	1 January 2018
IFRS 15 - Revenue from Contracts with Customers (and the related Clarifications)	1 January 2018
IFRS 16 - Leases	1 January 2019
Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to IAS 40 - Transfers of Investment Property	1 January 2018
Amendments to IFRSs - Annual Improvements to IFRS Standards 2014-2016 Cycle	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018

Except as disclosed below, the directors of the Company expect the adoption of the other standards above will have no material financial impact on the financial statements in the period of initial application.

**IFRS 9 Financial Instruments**

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

The Company is currently assessing the impact of IFRS 9 and plans to adopt the new standards on the required effective date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

2.2 New and Revised IFRSs issued but not yet effective (continued)

**IFRS 15 Revenue from Contracts with Customers**

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

**IFRS 16 Leases**

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (continued)**

**2.2 New and Revised IFRSs issued but not yet effective (continued)**

**IFRS 16 Leases (continued)**

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

The directors of the Company do not anticipate that the application of IFRS 16 will have a significant impact on the amounts recognised in the Company's financial statements.

**Annual Improvements to IFRSs 2014 – 2016 Cycle**

The Annual Improvements include amendments to IFRS 1 and IAS 28 which are not yet mandatorily effective for the Company.

Both the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 1 January 2018. The directors of the Company do not anticipate that the application of the amendments in the future will have any impact on the Company's financial statements as the Company is neither a first-time adopter of IFRS nor a venturecapital organisation. Furthermore, the Company does not have any associate or joint venture that is an investment entity.

**IFRIC 22 Foreign Currency Transactions and Advance Consideration**

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the nonmonetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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### 3. 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) 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.

**(c) Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at 31 March 2018 (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.

**(d) 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combinations and goodwill (continued)

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.

(e) 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.

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 rate was applicable:

As at 31 March 2018                      USD/ Tanzanian Shilling 0.0004

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 0.0004

(f) 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.

(g) Stated capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (h) 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.

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.

#### (i) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018**

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) 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.

**(k) 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.

**(l) 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%

**(m) 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) Expense recognition

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

(p) 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.

(q) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

4. 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 3, 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 3, the directors have considered those factors described therein and have determined that the functional currency of the Group is the USD.

5. INTANGIBLE ASSETS

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	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 comprise of goodwill on acquisition of the subsidiary.

6. INVESTMENT IN SUBSIDIARY

	THE COMPANY	
	2018	2017
	USD	USD
At April 01 ,	3,535,300	3,535,300
Acquisition/(disposal)	-	-
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:

Name of Company	Country of Incorporation	Type of Share	2018 and 2017	
			Number of Shares	Percentage holding
Kilimanjaro Biochem Limited	Tanzania	Equity	42,923	95.00%

LAKE MINERALS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

7(a). PROPERTY, PLANT AND EQUIPMENT	Land	Motor vehicles	Buildings	Furniture & fixtures	Office Equipments	Plant and Machinery	IT equipment	Capital work in progress	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
<b>COST</b>									
At April 01, 2017	141,343	1,016,809	2,082,502	43,294	48,091	6,036,047	24,085	-	9,392,171
Addition during the year	-	29,088	1,237	-	1,170	18,844	5,840	95,668	151,847
Disposal	-	(74,868)	-	-	-	-	-	-	(74,868)
Translation difference	(12,850)	(96,369)	(189,320)	(3,936)	(4,372)	(595,381)	(2,188)	-	(904,416)
<b>At March 31, 2018</b>	<b>128,493</b>	<b>874,660</b>	<b>1,894,419</b>	<b>39,358</b>	<b>44,889</b>	<b>5,459,510</b>	<b>27,737</b>	<b>95,668</b>	<b>8,564,734</b>
<b>DEPRECIATION</b>									
At April 01, 2017	-	650,946	533,100	43,010	39,481	3,260,034	19,633	-	4,546,204
Charge for the year	-	101,983	94,690	186	3,646	544,420	2,403	-	747,328
Disposal	-	(43,402)	-	-	-	-	-	-	(43,402)
Translation difference	-	(63,109)	(48,464)	(3,910)	(3,590)	(343,014)	(1,785)	-	(463,872)
<b>At March 31, 2018</b>	<b>-</b>	<b>646,418</b>	<b>579,326</b>	<b>39,286</b>	<b>39,537</b>	<b>3,461,440</b>	<b>20,251</b>	<b>-</b>	<b>4,786,258</b>
<b>NET BOOK VALUE</b>									
At March 31, 2018	128,493	228,242	1,315,093	72	5,352	1,998,070	7,486	95,668	3,778,476

LAKE MINERALS (MAURITIUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

7(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
<b>COST</b>								
At April 01, 2016	156,617	798,131	2,366,479	49,198	51,941	6,843,103	26,586	10,292,055
Addition during the year	3,520	314,454	-	-	2,383	54,708	690	375,755
Disposal	-	-	-	-	-	(40,592)	-	(40,592)
Translation difference	(18,794)	(95,776)	(283,977)	(5,904)	(6,233)	(821,172)	(3,191)	(1,235,047)
<b>At March 31, 2017</b>	<b>141,343</b>	<b>1,016,809</b>	<b>2,082,502</b>	<b>43,294</b>	<b>48,091</b>	<b>6,036,047</b>	<b>24,085</b>	<b>9,392,171</b>
<b>DEPRECIATION</b>								
At April 01, 2016	-	599,010	487,472	48,344	39,467	3,019,871	18,993	4,213,157
Charge for the year	-	123,817	104,125	467	4,750	602,548	2,918	838,625
Disposal	-	-	-	-	-	-	-	-
Translation difference	-	(71,881)	(58,497)	(5,801)	(4,736)	(362,385)	(2,278)	(505,578)
<b>At March 31, 2017</b>	<b>-</b>	<b>650,946</b>	<b>533,100</b>	<b>43,010</b>	<b>39,481</b>	<b>3,260,034</b>	<b>19,633</b>	<b>4,546,204</b>
<b>NET BOOK VALUE</b>								
At March 31, 2017	141,343	365,863	1,549,402	284	8,610	2,776,013	4,452	4,845,967

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

8. INVENTORIES	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
Raw materials	1,077,115	407,356	-	-
Finished goods	25,813	38,511	-	-
	<b>1,102,928</b>	<b>445,867</b>	<b>-</b>	<b>-</b>

9. ACCOUNTS RECEIVABLE	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
Trade receivables	553,605	413,582	-	-
Advances to creditors	321,514	501,360	-	-
Other receivables	238,280	67,579	-	-
Loans, advances and deposits	40,063	83,071	-	-
Tax recoverable	-	4,407	-	-
	<b>1,153,462</b>	<b>1,069,999</b>	<b>-</b>	<b>-</b>

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

10. CASH AND CASH EQUIVALENTS	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
(a) Cash at bank	162,917	3,587,511	43,199	27,842
(b) Bank Overdraft	570,358	606,507	-	-

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.

11. SHARE CAPITAL	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	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,	<b>2,675,000</b>	<b>2,675,000</b>	<b>2,675,000</b>	<b>2,675,000</b>

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

12. DEFERRED TAX	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
At April 01,	587,541	803,872	-	-
Translation difference	(53,414)	(96,465)	-	-
Movement in deferred tax	(111,627)	(119,866)	-	-
At March 31,	<b>422,500</b>	<b>587,541</b>	<b>-</b>	<b>-</b>

13. ACCOUNTS PAYABLE	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
Trade payables	338,899	359,718	-	-
Advances from customers	26,462	128,782	-	-
Other payables & accruals	105,114	227,169	12,294	9,294
	<b>470,475</b>	<b>715,669</b>	<b>12,294</b>	<b>9,294</b>

The carrying amounts of payables approximate their fair value.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

## 14. BORROWINGS

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
As at April 01,	-	-	-	-
Loan received during the year	750,000	-	-	-
Repayment	(76,581)	-	-	-
As at March 31,	673,419	-	-	-

The Subsidiary obtained a term loan facility from National Bank of Commerce Limited amounting to USD750,000. The loan matures after 6 months after date of first drawdown of the facility. The loan bears an interest of 7.50% per annum payable on a monthly basis.

## 15. TAXATION

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
(a) Statement of financial position				
Provision for the year	311,347	781,773	-	-
Tax paid	(277,060)	(760,715)	-	-
Tax payable/(overpaid) in previous year	-	128,756	-	-
Translation difference	-	(15,451)	-	-
Tax payable	34,287	134,363	-	-
(b) Statement of Comprehensive income				
Current tax on adjusted profit	311,347	781,773	-	-
Movement in deferred tax (note 12)	(111,627)	(119,866)	-	-
Tax charge	199,720	661,907	-	-

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 2018.

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

## 16. DIVIDENDS

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
Amount due as at April 01,	-	-	-	-
Final				
Equity shareholder	3,424,000	-	3,424,000	-
Non controlling interest	161,148	-	-	-
	3,585,148	-	3,424,000	-
Paid during the year	(3,585,148)	-	(3,424,000)	-
Amount due at March 31,	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

## 17. NOTES TO THE STATEMENT OF CASH FLOW

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	USD	USD	USD	USD
(a) <b>Cash generated from/(used in) operations</b>				
Reconciliation of profit/(loss) before taxation to cash generated from/(used in) operations:				
Profit/(Loss) for the year	606,399	2,193,137	3,436,357	(13,220)
Adjustments for:				
Depreciation	747,330	838,625	-	-
Loss on disposal of plant and equipment	4,171			
Translation difference	(268,470)	(258,302)	-	-
Changes in working capital:				
- Accounts payable	(180,979)	(2,820)	3,000	-
- Accounts receivable	(180,735)	(71,744)	-	(1,000)
- Inventories	(697,594)	230,160	-	-
Cash generated from/(used in) operations	<u>30,122</u>	<u>2,929,056</u>	<u>3,439,357</u>	<u>(14,220)</u>
(b) <b>Cash and cash equivalents</b>				
	2018	2017	2018	2017
	USD	USD	USD	USD
Cash at Bank	162,917	3,587,511	43,199	27,842
Bank Overdraft	(570,358)	(606,507)	-	-
	<u>(407,441)</u>	<u>2,981,004</u>	<u>43,199</u>	<u>27,842</u>

## 18. 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
<b>Current</b>	
Bank overdraft	570,358
	<u>570,358</u>

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

(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	
	2018	2017	2018	2017
	USD	USD	USD	USD
Tanzanian Shilling				
Investments	-	-	3,535,300	3,535,300
Fixed assets	3,778,476	4,845,967	-	-
Cash and cash equivalents	119,718	3,559,669	-	-
Trade and other receivables	1,153,462	1,069,999	-	-
Trade and other payables	(458,181)	(706,375)	-	-
Gross balance sheet exposure	<u>4,593,475</u>	<u>8,769,260</u>	<u>3,535,300</u>	<u>3,535,300</u>

(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 2018, the financial assets and liabilities have fair values that do not differ significantly from the amounts recorded in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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**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 2018.

**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.