GROWN ENERGY ZAMBEZE HOLDINGS PVT. LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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DIRECTORS:

	Date of appointment	*Date of resignation*
Kapildeo Joory	5 February 2009	3 August 2015
Prashant Kumar Ghose	25 January 2010	30 September 2015
Ramakrishnan Mukundan	25 January 2010	-
Zakir Hussein Niamut	21 March 2014	-
Shafiiq-Ur-Rahmaan Soyfoo	3 August 2015	-
Ranjeev Lodha	30 September 2015	-

REGISTERED OFFICE:

IFS Court, Bank Street
Twenty Eight
Cybercity
Ebene, 72201
Mauritius

SECRETARY, ADMINISTRATOR & MAURITIAN TAX AGENT

International Financial Services Limited
IFS Court, Bank Street, Twenty Eight
Cybercity
Ebene, 72201
Mauritius

BANKER:

Standard Bank (Mauritius) Limited
Level 9, Tower A
1 Cyber City, Ebene
Mauritius

AUDITORS:

Deloitte
7th Floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebene
Mauritius

The directors present their report and the audited financial statements of GROWN ENERGY ZAMBEZE HOLDINGS PVT. LTD (the "Company") for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income on Page 6.

DIRECTORS

The present membership of the Board is set out on page 2.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

CONSOLIDATION

Section 212 of the Mauritius Companies Act 2001 requires a company that has one or more subsidiaries to prepare group accounts that comply with IFRS. However, section 12 of the Fourteenth Schedule of the Mauritius Companies Act provides that a company holding a Category 1 Global Business Licence may not prepare group financial statements where it is a wholly owned or virtually owned subsidiary.

The Company, being a Category 1 Global Business Licence Company, has taken advantage of the provision of the Fourteenth Schedule of the Mauritius Companies Act 2001 not to prepare group accounts as its ultimate holding company, Tata Chemicals Limited, a company incorporated in India, listed on the Bombay Stock Exchange and National Stock Exchange of India, prepares consolidated accounts under Indian Generally Accepted Accounting Principles. The consolidated financial statements would not add value to the holding and ultimate holding company.

AUDITORS

The auditors, **Deloitte**, have indicated their willingness to continue in office until the next Annual Meeting.

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

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of **Grown Energy Zambeze Holdings Pvt. Ltd** under the Mauritius Companies Act 2001 during the financial year ended 31 March 2016.

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***For* International Financial Services Limited**
Secretary

Registered office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene, 72201
Mauritius

Date: 10 August 2016

Deloitte.

7th floor, Standard Chartered Tower
19-21 Bank Street
Cybercity
Ebène 72201
Mauritius

Independent auditors' report to the shareholder of Grown Energy Zambeze Holdings Pvt. Ltd

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

Report on the Financial Statements

We have audited the financial statements of **Grown Energy Zambeze Holdings Pvt. Ltd** on pages 6 to 23 which comprise the statement of financial position as at 31 March 2016 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 a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies, as described in note 2(a) to the financial statements. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 6 to 23 give a true and fair view of the financial position of **Grown Energy Zambeze Holdings Pvt. Ltd** as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Basis of preparation

Without modifying our opinion, we draw attention to note 2(a) of the financial statements, which describes the basis of preparation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the Company other than in our capacity as auditors;
- except for the matter referred to above, we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Deloitte

Deloitte

Chartered Accountants

10 August 2016

Pradeep Malik

Pradeep Malik, FCA

Licensed by FRC

	Notes	2016 USD	2015 USD
EXPENSES			
Licence fees		**2,500**	2,500
Professional fees		**22,168**	22,011
Bank charges		**1,857**	2,783
Audit fees		**8,048**	7,450
Impairment charges	5&6	**338,800**	13,613,328
Receivable written off	7	**1**	-
		(373,374)	(13,648,072)
LOSS BEFORE TAXATION		**(373,374)**	(13,648,072)
Taxation	10	-	-
LOSS FOR THE YEAR		**(373,374)**	(13,648,072)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(373,374)**	(13,648,072)

The notes on pages 10 to 23 form an integral part of these financial statements.
The independent auditors' report is on page 5.

	Notes	2016	2015
		USD	USD
ASSETS			
Non-current assets			
Investment in subsidiary	5	-	-
Share application monies	6	-	-
		-	-
Current assets			
Receivables	7	**2,200**	2,201
Cash at bank		**43,904**	51,134
		46,104	53,335
Total assets		**46,104**	53,335
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	8	**14,208,054**	13,588,054
Capital contribution		-	250,000
Accumulated losses		**(14,186,118)**	(13,812,744)
		21,936	25,310
Current liabilities			
Payables	9	**24,168**	28,025
Total equity and liabilities		**46,104**	53,335

Approved by the Board of Directors and authorised for issue on **10 August 2016**.

Director **Director**

The notes on pages 10 to 23 form an integral part of these financial statements.
The independent auditors' report is on page 5.

	Stated capital	Capital contribution	Accumulated losses	Total
	USD	USD	USD	USD
At 1 April 2015	12,558,054	210,000	(164,672)	12,603,382
Issue of shares	1,030,000	(210,000)	-	820,000
Capital contribution	-	250,000	-	250,000
Total comprehensive loss for the year	-	-	(13,648,072)	(13,648,072)
At 31 March 2015	**13,588,054**	**250,000**	**(13,812,744)**	**25,310**
Issue of shares during the year	**620,000**	**(250,000)**	-	**370,000**
Total comprehensive loss for the year	-	-	**(373,374)**	**(373,374)**
At 31 March 2016	**14,208,054**	**-**	**(14,186,118)**	**21,936**

The notes on pages 10 to 23 form an integral part of these financial statements.
The independent auditors' report is on page 5.

	2016	2015
	USD	USD
Cash flows from operating activities		
Loss before taxation	**(373,374)**	(13,648,072)
Changes in working capital:		
(Increase) / decrease in receivables	**1**	(1,500)
(Decrease) / increase in payables	**(3,857)**	(572)
Impairment	**338,800**	13,613,328
Net cash used in operating activities	**(38,430)**	(36,816)
Cash flows from investing activities		
Increase in share application monies	**(338,800)**	(1,035,000)
Net cash used in investing activities	**(338,800)**	(1,035,000)
Cash flows from financing activities		
Proceeds from issue of shares	**370,000**	820,000
Capital contribution	**-**	250,000
Net cash generated from financing activities	**370,000**	1,070,000
Net decrease in cash and cash equivalents	**(7,230)**	(1,816)
Cash and cash equivalents at beginning of the year	**51,134**	52,950
Cash and cash equivalents at end of the year	**43,904**	51,134

1. BACKGROUND INFORMATION

Grown Energy Zambeze Holdings Pvt. Ltd (the "Company") was incorporated in the Republic of Mauritius under the Mauritius Companies Act 2001 on 5 February 2009 as a private company with liability limited by shares and has its registered office at IFS Court, Bank Street, Twenty Eight, Cyber city, Ebene, 72201, Mauritius. It holds a Category 1 Global Business Licence issued by the Financial Services Commission.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS").

The directors have taken the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared group financial statements as it is a wholly owned subsidiary. In the preparation of the financial statements, the directors have adopted International Accounting Reporting Standards (IFRS) and Interpretations issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. A summary of the significant accounting policies, which have been applied consistently, is set out below:

(a) Basis of preparation

The financial statements are prepared under the historical cost convention.

The Company is the holder of a category 1 Global Business Licence and has subsidiaries. The directors have taken advantage of the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared group financial statements as it is a wholly owned subsidiary. In the preparation of these financial statements, the directors have adopted International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board (IASB), except for International Financial Reporting Standards 10, Consolidated Financial Statements.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of the Company (the "functional currency"). The financial statements of the Company are presented in United States Dollars ("USD"), which is the Company's functional currency and presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated in USD at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities are translated at the rate of exchange ruling at statement of financial position date. Exchange differences arising on translation and realised gains and losses on disposals or settlement of monetary assets and liabilities are recognised in the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit or loss.

(i) Financial Assets

Financial assets are classified into 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are subsequently measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial liabilities.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent years.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss

When available for sale financial assets is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

Derecognition of financial asset

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(ii) Financial liabilities

(a) *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) *Other financial liabilities*

Other financial liabilities, including borrowings and subordinated notes are initially measured at fair value, net of transaction costs. Transaction costs are defined as incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or a financial liability. An incremental cost is one that would not have been incurred if the Company had not acquired, issued or disposed of the financial instrument.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) *Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled, expired or changed. Where the terms of the financial liability is substantially different, the exchange is accounted for as an extinguishment of the original liability and recognition of a new liability.

(d) Cash and cash equivalents

Cash comprises cash held at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short term cash commitments rather than investment or other purpose.

(e) Stated capital

Stated capital is determined using the nominal value of shares of USD1 that have been issued.

(f) Revenue recognition

Interest is recognised on accrual basis unless collectibility is in doubt. Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established and is recognised gross of withholding tax.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Expense recognition

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

(h) 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 before tax' as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is 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 difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases 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 of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and investments in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 liabilities and assets are measured at the tax rates that are expected to apply in the year in which the 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(j) Impairment of assets

At each statement of financial position date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

(k) Investment in subsidiary

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

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

The Company does not prepare consolidated financial statements and investment in subsidiary is initially shown at cost. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit or loss and other comprehensive income.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Company has applied all of the new and revised Standards 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 1 April 2015.

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

Amendments to IFRS 11	Joint Arrangements[1]
Amendments to IFRS 10, 12 and IAS 28	Consolidation exception[1]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortsation[1]
Amendments to IAS 7	Information about financing activities[2]
IFRS 15	Revenue from Contracts with Customers[3]

[1] Effective for annual periods beginning on or after January 1, 2016.
[2] Effective for annual periods beginning on or after January 1, 2017.
[3] Effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 11 – Joint Arrangements
When the Company acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3, it shall apply, to the extent of its share in accordance with this standard, all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in this standard and disclose the information that is required in those IFRSs in relation to business combinations. Since the Company does not have any joint arrangement, it is not affected by the amendments.

IFRS 10, 12 and IAS 28 – Consolidation Exception
In December 2014, IASB published amendments to IFRS 10, 12 and IAS 28, Investment Entities: Applying the Consolidation Exception aimed at clarifying the application of these standards to investment entities. The Company, being a Category 1 Global Business License Company, has taken advantage of the provision of the Fourteenth Schedule of the Mauritius Companies Act 2001 not to prepare group accounts as its holding company, Tata Chemicals Limited, a company incorporated in India, listed on the Bombay Stock Exchange and National Stock Exchange of India, prepares consolidated accounts under Indian Generally Accepted Accounting Principles. The consolidated financial statements would not add value to the holding company and hence this standard is not applicable to the Company.

Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation
The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of intangible asset. This presumption can only be rebutted in the following two limited circumstances:
(a) when the intangible asset is expressed as a measure of revenue; or
(b) when it can be demonstrated that revenue and consumption of the economic benefits of intangible assets are highly correlated.
The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Since the Company does not have any property, plant and equipment, this standard is not applicable to the Company.

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IAS 7 – Amendments arising out of Disclosure Initiative

On January 29, 2016, the IASB published amendments to IAS 7, Statement of Cash Flows. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements to evaluate changes in liabilities arising from an entity's financing activities. This is amendment affects the disclosure requirements only and the Company does not expect it to have any impact on its financial statements.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which 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.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in 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. Since the Company does not have any operating revenue from customers, this standard is not applicable to it.

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements, in accordance with IFRS, requires the Directors and management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgment that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determination of functional currency

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

CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment of investment in subsidiaries and loans given to Related Party

Determining whether investments in subsidiaries are impaired requires an estimation of the value in use of the investments. The value in use calculation requires the directors to estimate the future cash flows expected to arise from that investment and a suitable discount rate in order to calculate present value. As at 31 March 2016, the directors compared the carrying values with the fair values of these investments and impairment has been recognised in the financial statements.

5. INVESTMENT IN SUBSIDIARY

	2016	2015
	USD	USD
Unquoted :		
Balance at start	-	1,146,384
Impairment charges of investment	-	(1,146,384)
Balance at end	-	-

An assessment of the recoverable amount of the investment was carried out by management during the year ended 31 March 2015 and confirmed that an impairment has to be recognized in the financial statements. The investment in subsidiary has thus been fully impaired to USD nil during the year ended 31 March 2015.

Details pertaining to the investment were as follows:

Name of Company	**Country of incorporation**	**Activity**	**Class of shares held**	**% Holding 2016**	**Number of shares 2016**
Grown Energy (Proprietary) Limited	South Africa	Investment Holding	Ordinary	100	100

The Company has also indirect holding in Grown Energy Zambeze Limitada, a company incorporated in Mozambique.

6. SHARE APPLICATION MONIES

	2016	2015
	USD	USD
Balance at start	-	11,431,944
Additions during the year	**338,800**	1,035,000
Impairment of share application monies	**(338,800)**	(12,466,944)
Balance at end	-	-

An amount of USD338,800 was sent to Grown Energy Zambeze Limitada during the year under review as additional share application monies.

Given that shares will not be allocated to the Company by Grown Energy Zambeze Limitada and as per assessment done by management on Grown Energy Zambeze Limitada, the share application monies of USD338,800 have been impaired to USD nil as at 31 March 2016 (2015: USD12,466,944).

7. RECEIVABLES

	2016	2015
	USD	USD
Prepayments	**2,200**	2,200
Receivable from Bio Energy Venture – 1 (Mauritius) Pvt. Ltd	-	1
	2,200	2,201

During the year under review, the receivable from Bio Energy Venture (Mauritius) Pvt. Ltd was written off.

8. STATED CAPITAL

Ordinary shares of USD1 each	2016 Number of shares	2015 Number of shares	2016 USD	2015 USD
At start of the year	**13,588,054**	12,558,054	**13,588,054**	12,558,054
Issue of shares during the year	**620,000**	1,030,000	**620,000**	1,030,000
At end of the year	**14,208,054**	13,588,054	**14,208,054**	13,588,054

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

9. PAYABLES

	2016	2015
	USD	USD
Accruals	**12,193**	16,050
Other payables	**11,975**	11,975
	24,168	28,025

10. TAXATION

(a) Income tax

The Company, under current laws and regulations, is liable to pay income tax on its net income at the rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritian tax payable in respect of its foreign source income. Gains or profits arising from sale of units or securities are exempt from tax in Mauritius and any dividends or redemption proceeds paid by the Company to shareholders would not attract withholding tax in Mauritius.

As at 31 March 2016, the Company had no income tax liability due to accumulated tax losses of **USD164,972** (2015: USD153,438), which can be carried forward and available for set off against future taxable profits as follows:

10. TAXATION (CONTINUED)

	2016 USD	2015 USD
Up to year ending 31 March 2016	-	22,622
Up to year ending 31 March 2017	29,407	29,407
Up to year ending 31 March 2018	32,155	32,155
Up to year ending 31 March 2019	35,211	35,211
Up to year ending 31 March 2020	34,043	34,043
Up to year ending 31 March 2021	34,156	-
	164,972	153,438

(b) Income tax reconciliation

	2016 USD	2015 USD
Loss before taxation	(373,374)	(13,648,072)
Tax at the applicable rate of 15%	(56,006)	(2,047,211)
Tax effect of :		
- Non allowable expenses	50,883	2,042,104
- Deferred tax asset not recognised	5,123	5,107
Tax charge	-	-

(c) Deferred taxation

No deferred tax asset has been recognised in respect of the tax losses carried forward as taxable profit is not probable in the foreseeable future.

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Significant accounting policies

Details of the significant accounting policies and method adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised are disclosed in note 2 to the financial statements.

In its operations, the Company's investment activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it invests. The following is a summary of the main risks:

Financial risk factors

(i) Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimisation of the debt and equity balance.

The capital structure of the Company consists of equity attributable to the shareholder comprising stated capital and accumulated losses.

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Categories of financial instruments

	2016	2015
	USD	USD
Financial assets		
Receivables	-	1
Cash and cash equivalents	**43,904**	51,134
	43,904	51,135
Financial liabilities		
Payables	**24,168**	28,025

(ii) Currency risk

Given that all the Company's financial instruments are denominated in USD, the Company is not exposed to any currency risk.

The currency profile of the Company's financial assets and liabilities is summarized as follows:

	Financial assets 2016	**Financial liabilities 2016**	Financial assets 2015	Financial liabilities 2015
	USD	**USD**	USD	USD
United States Dollars	**43,904**	**24,168**	51,135	28,025
	43,904	**24,168**	51,135	28,025

Prepayments amounting to **USD2,200** (2015: USD2,200) have not been included in financial assets.

(iii) Credit risk

Financial assets that potentially expose the Company to credit risk consist principally of investment and cash at bank. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The Company takes on exposure to credit risk, which is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company does not have exposure to credit risk at 31 March 2016.

	2016	2015
	USD	USD
Receivable from Bio Energy Venture – 1 (Mauritius) Pvt. Ltd	-	1

The receivable of USD1 from Bio Energy Venture - 1 (Mauritius) Pvt. Ltd was written off during the year under review.

(iv) Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash in its bank account, and by also ensuring timely recovery of receivables.

As of 31 March 2016, its main liabilities relate to other payables. Future cash inflows will meet present and future obligations adequately.

11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

Liquidity and interest risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than 1 year 2016	Less than 1 year 2015
	USD	USD
Non-interest bearing	**24,168**	28,025
	24,168	28,025

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's financial assets and liabilities are non-interest bearing. As a result, the Company is not subject to significant risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

(vi) Fair value measurements.

(i) Fair value measurement of financial instruments

The Company's financial instruments are measured at their carrying amounts, which approximate their fair values.

(ii) Fair value measurement of non-financial assets and non-financial liabilities

The Company's non-financial assets consist of investment investments in subsidiaries and prepayments, for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

12. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2016, the following transactions were carried out with related parties. The nature, volume of transactions and the balance with the entity are as follows:

	2016	2015
	USD	USD
Grown Energy Zambeze Limitada – Group company		
Share application monies	**338,800**	12,466,944

The share application monies of USD 338,800 were fully impaired during the year ended 31 March 2016 (2015: USD12,466,944).

	2016	2015
Grown Energy (Proprietary) Limited – subsidiary		
Investment	-	1,146,384

The investment of USD1,146,384 was fully impaired during the year ended 31 March 2015.

	2016	2015
Bio Energy Venture – 1 (Mauritius) Pvt. Ltd – shareholder		
Receivable	-	1

The receivable of USD1 from Bio Energy Venture – 1 (Mauritius) Pvt. Ltd was written off during the year under review.

	2016	2015
Tata Chemicals Limited		
Payable	**1,500**	1,500
International Financial Services Limited		
Professional fees	**21,751**	21,230
Bio Energy Venture-1 (Mauritius) Pvt Ltd		
Issue of shares	**620,000**	1,030,000
Capital contribution	-	250,000

During the year ending 31 March 2016, the Company has issued ordinary shares of USD 250,000 to Bio Energy Venture-1 (Mauritius) Pvt Ltd against the capital contribution of USD 250,000 received during the year ended 31 March 2015.

Compensation of key management personnel

One of the two directors of the Company, Mr Kapildeo Joory is also a director of International Financial Services Limited ("IFS") and hence deemed to have beneficial interest in the Service Agreement between the Company and IFS. Mr Kapildeo Joory has resigned as director of the Company on 3 August 2015.

13. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

Bio Energy Venture - 1 (Mauritius) Pvt. Ltd, a company incorporated in Mauritius is the holding company. Tata Chemicals Ltd, a company incorporated in India and listed on Bombay Stock Exchange and National Stock Exchange of India is the ultimate holding company.