CFL MAURITIUS LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2015

CFL Mauritius Ltd

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

CONTENTS

CFL Mauritius Ltd

COMPANY INFORMATION

		Date of appointment	Date of resignation
DIRECTORS :	Arunachalam Vellayan	17 June 2008	-
	Venkatachalam Ravichandran	17 June 2008	-
	Purushothaman Varadarajan	17 June 2008	-
	Zoubeir Khatib	23 November 2012	25 January 2016
	Resmah Bibi Mandary	22 June 2015	-
	Jihane Muhamodsaroar	25 January 2016	-

REGISTERED OFFICE : IFS Court
Bank Street
TwentyEight
Cybercity
Ebène 72201
Republic of Mauritius

ADMINISTRATOR, SECRETARY& TAX AGENT : International Financial Services Limited
IFS Court
Bank Street
TwentyEight
Cybercity
Ebène 72201
Republic of Mauritius

AUDITOR : PricewaterhouseCoopers
18 CyberCity
Ebène
Réduit 72201
Republic of Mauritius

BANKER : HSBC Bank Mauritius Limited
6th Floor, HSBC Centre
18 CyberCity
Ebène
Republic of Mauritius

CFL Mauritius Ltd

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present the audited financial statements of CFL Mauritius Ltd (the "Company") for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to hold investments.

On 08 December 2009, the Company's business objective has been extended to cover trading activities, within the same line of business. Such trading activity involves the buying and selling of raw materials to the sole shareholder, Coromandel International Limited. As of date, the Company has not engaged into any such trading activities.

RESULTS

The results for the year are shown in the statement of comprehensive income and related notes.

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 International Financial Reporting 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

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.

AUDITOR

The auditor, PricewaterhouseCoopers, has indicated its willingness to continue in office until the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166(d) OF THE MAURITIAN 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 CFL Mauritius Ltd under the Mauritian Companies Act 2001 during the year ended 31 December 2015.

For **International Financial Services Limited**
Secretary

Registered Office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebène 72201
Republic of Mauritius

Date: 13 May 2016

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Independent Auditor's Report

To the Shareholder of CFL Mauritius Ltd

Report on the Financial Statements

We have audited the financial statements of CFL Mauritius Ltd (the "Company") on pages 7 to 22 which comprise the statement of financial position as at 31 December 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001, 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.

Auditor's 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 about 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 auditor considers 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 the directors, 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.

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Business Registration Number : F07000530

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Independent Auditor's Report

To the Shareholder of CFL Mauritius Ltd (Continued)

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements on pages 7 to 22 give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

(a) we have no relationship with or interests in the Company other than in our capacity as auditor;
(b) we have obtained all the information and explanations we have required; and
(c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholder in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

PricewaterhouseCoopers

Lindsay Levehang, licensed by FRC

13 May 2016

CFL Mauritius Ltd

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	USD	USD
INCOME		
Interest income	-	1
	-	1
EXPENSES		
Audit fees	19,975	13,318
Professional fees	14,184	21,064
Licence fees	1,750	1,750
Registration fee	350	350
Bank charges	225	545
Interest expense (Note 8)	-	13,910
	36,484	50,937
Loss before income tax	(36,484)	(50,936)
Income tax expense (Note 5)	-	-
Loss for the year	(36,484)	(50,936)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Gain / (loss) on fair valuation of available-for-sale financial assets (Note 6)	6,102,902	(562,191)
Other comprehensive income	6,102,902	(562,191)
Total comprehensive income for the year	6,066,418	(613,127)

The notes on pages 11 to 22 are an integral part of these financial statements.

CFL Mauritius Ltd

STATEMENT OF FINANCIAL POSITION– 31 DECEMBER 2015

	2015 USD	2014 USD
ASSETS		
Non-current assets		
Available-for-sale financial assets (Note 6)	34,381,189	28,278,287
Current assets		
Prepayments	5,375	4,975
Cash and cash equivalents	431,418	466,027
	436,793	471,002
Total assets	34,817,982	28,749,289
EQUITY		
Stated capital (Note 7)	22,025,000	22,025,000
Fair value reserve	6,975,064	872,162
Retained earnings	5,801,528	5,838,012
Total equity	34,801,592	28,735,174
LIABILITIES		
Current liabilities		
Accruals	16,390	14,115
Total liabilities	16,390	14,115
Total equity and liabilities	34,817,982	28,749,289

Authorised for issue by the Board of directors on 13 May 2016 and signed on its behalf by:

} DIRECTORS

The notes on pages 11 to 22 are an integral part of these financial statements.

CFL Mauritius Ltd

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Stated capital USD	Fair value reserve USD	Retained earnings USD	Total equity USD
Balance at 1 January 2014	18,025,000	1,434,353	5,888,948	25,348,301
Comprehensive income				
Net loss for the year	-	-	(50,936)	(50,936)
Other comprehensive income				
Fair value loss on fair valuation of available-for-sale financial assets	-	(562,191)	-	(562,191)
Total comprehensive income	-	(562,191)	(50,936)	(613,127)
Balance at 31 December 2014	22,025,000	872,162	5,838,012	28,735,174
Comprehensive income				
Net loss for the year	-	-	(36,484)	(36,484)
Other comprehensive income				
Fair value gain on fair valuation of available for sale financial assets	-	6,102,902	-	6,102,902
Total comprehensive income	-	6,102,902	(36,484)	6,066,418
Balance at 31 December 2015	22,025,000	6,975,064	5,801,528	34,801,592

CFL Mauritius Ltd

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 USD	2014 USD
Cash flows from operating activities		
Loss before income tax	(36,484)	(50,936)
Adjustments for:		
Interest income	-	(1)
Interest expense	-	13,910
	(36,484)	(37,027)
(Increase)/decrease in prepayments	(400)	400
Increase in accruals	2,275	1,229
Cash used in operating activities	(34,609)	(35,398)
Interest received	-	1
Net cash used in operating activities	(34,609)	(35,397)
Cash flow from financing activities		
Proceeds from issue of shares	-	4,000,000
Repayment of loan	-	(3,499,053)
Loan interest paid	-	(13,910)
Net cash from financing activities	-	487,037
Net (decrease)/increase in cash and cash equivalents	(34,609)	451,640
Cash and cash equivalents at beginning of the year	466,027	14,387
Cash and cash equivalents at end of the year	431,418	466,027

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015

1 GENERAL INFORMATION

CFL Mauritius Ltd (the "Company") is a private company limited by shares, incorporated and domiciled in the Republic of Mauritius on 17 June 2008. The Company holds a Category 1 Global Business Licence issued under the Financial Services Act 2007 and is regulated by the Financial Services Commission. The address of its registered office is IFS Court, Bank Street, TwentyEight Cybercity, Ebène 72201, Republic of Mauritius.

The principal activities of the Company are investment holding and trading. However, as of date, the Company has not engaged into any trading activities.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and derivative financial liabilities.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on 1 January 2015 that would be expected to have a material impact on the Company.

(b) New standards and interpretations effective after 1 January 2015 that have not been early adopted by the Company

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ('OCI') and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is yet to assess IFRS 9's full impact.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The directors consider the United States dollar ("USD") as the currency that most faithfully represents the economic effects of the underlying events, transactions and conditions. The financial statements are presented in USD, which is the Company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Translation differences on non-monetary financial assets such as available-for-sale financial assets are included in other comprehensive income and cumulated in 'Other reserves' in equity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets and are included in non-current assets unless the investment matures or the directors intend to dispose of the investments within 12 months from the end of the reporting period.

Regular purchases and sales of available-for-sale financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction costs and are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income.

When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income when the Company's right to receive payments is established.

Impairment of assets classified as available-for-sale

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. For equity securities classified as available-for-sale, a significant and prolonged decline in the fair value of the security below its cost is evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit or loss. Impairment losses recognised in the statement of comprehensive income on equity instruments are not reversed through the statement of comprehensive income.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stated capital

Ordinary shares are classified as equity.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

Accruals

Accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Current and deferred income tax

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting period and are expected to apply when the related deferred income tax asset is recognised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Revenue recognition

Interest income is recognised on a time-proportionate basis using the effective interest method.

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

Expenses recognition

Expenses are accounted for in the statement of comprehensive income on an accrual basis.

Financial instruments

Financial instruments carried on the statement of financial position include available-for-sale financial assets, cash and cash equivalents and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The Board of directors of the Company manages the financial risk by ensuring periodical review of the operations and ensuring adequate internal controls to avoid negative impact of such risks on the Company.

(i) Market risk

Market risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices. Market risk comprises of three types of risks: foreign exchange risk, interest rate risk and price risk.

- *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows fluctuate because of changes in foreign exchange rates.

Foreign exchange risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. Accordingly, the effect of foreign exchange on investment in equity securities classified as available-for-sale financial assets are considered under price risk below. At 31 December 2015, the Company did not have any other financial instrument denominated in foreign currency and was therefore not exposed significantly to foreign exchange risk.

- *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.

At 31 December 2015, the Company did not have any interest bearing financial instruments and was therefore not exposed significantly to interest rate risk.

- *Price risk*

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk or foreign exchange risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity securities price risk on its available-for-sale financial assets.

A 5% change in the equity price of the financial assets classified as available-for-sale could have an impact of **USD 1,719,059** (2014 – USD 1,413,941) on other comprehensive income and equity.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (Continued)

Financial risk factors (continued)

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises mainly from cash balances held in banks. The Company's cash balances held in banks are placed with financial institutions which the directors regard as being of high quality.

The Company has a bank account with HSBC Bank (Mauritius) Limited, whose international credit rating issued by S&P at the year end was A.

(iii) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligation associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash. In addition, the Company has support from its parent for its financing needs. All of the Company's financial liabilities amounting to **USD 16,390** (2014 – USD 14,115) are repayable on demand. At 31 December 2015, the Company had cash at bank amounting to **USD 431,418** (2014 – USD 466,027), which is sufficient to finance the Company's financial liabilities.

Capital risk management

The Company's objective when managing capital is to safeguard its ability to pay its debts as they fall due in order to continue as a going concern and provide returns for the shareholder and benefits for other stakeholders. Capital comprises equity. In order to maintain or adjust the capital structure, the Company may issue new shares or have recourse to its parent for funding.

Fair value estimates

The carrying amounts of the Company's financial assets and financial liabilities approximate their fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflect the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The directors consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (Continued)

Fair value estimates (continued)

Fair values for the unlisted equity securities held by the Company are determined by the directors using valuation techniques. Such valuation techniques may include earnings multiples and discounted cash flows. The directors adjust the valuation model as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps. The valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisition of the investments and other factors pertinent to the valuation of the investments, with reference to such rights in connection with realisation, recent third-party transactions of comparable types of instruments, and reliable indicative offers from potential buyers.

The fair value of the available-for-sale financial assets is not based on observable market data and these instruments are therefore included in Level 3.

The valuation technique is described in the critical accounting estimates in Note 4.

The table below shows the direction of an increase or decrease in the respective input variables on the valuation result.

As at 31 December 2015

Investee company	Fair value at 31 December 2015	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute values)	Change in valuation +/-
	US$					US$
Foskor (Proprietary) Limited	34,372,859	Discounted cash flows	Cost of Capital	12.69%	1%	(4,799,217)/ 5,784,452
			EBITDA margin	Range from 7% to 15%	5%	3,506,421/ (3,508,977)
			Growth rate	2%	1%	3,288,457/ (2,725,998)

As at 31 December 2014

Investee company	Fair value at 31 December 2014	Valuation technique	Unobservable input	Weighted average input	Reasonable possible shift +/- (absolute values)	Change in valuation +/-
	US$					US$
Foskor (Proprietary) Limited	28,269,957	Discounted cash flows	Cost of Capital	11.33%	1%	(4,860,246)/ 5,829,592
			EBITDA margin	Range from 11% to 15%	5%	3,614,327/ (3,625,771)

There has been no transfer between levels during the year. The movements in Level 3 investments are disclosed in Note 6.

The carrying value of the remaining financial assets and financial liabilities approximate their fair values.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial instruments by category

	Loans and receivables USD	Available-for-sale USD	Total assets USD
ASSETS			
At 31 December 2015			
Available-for-sale financial assets	-	**34,381,189**	**34,381,189**
Cash and cash equivalents	**431,418**	-	**431,418**
Total assets	**431,418**	**34,381,189**	**34,812,607**
At 31 December 2014			
Available-for-sale financial assets	-	28,278,287	28,278,287
Cash and cash equivalents	466,027	-	466,027
	466,027	28,278,287	28,744,314

	Derivative financial liabilities USD	Other financial liabilities USD	Total Liabilities USD
LIABILITIES			
At 31 December 2015			
Accruals	-	**16,390**	**16,390**
At 31 December 2014			
Accruals	-	14,115	14,115

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates 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 are addressed below.

Critical accounting estimates

Fair valuation of the available-for-sale financial assets

The Company has invested in the unquoted equities of Foskor (Proprietary) Limited. Consistent with prior years, the fair value of such securities has been determined by using the Discounted Cash Flow (DCF) method. The valuation has been undertaken by an independent professional valuer, SSPA & Co.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates (Continued)

Fair valuation of the available-for-sale financial assets (Continued)

- *Discounted Cash Flow ("DCF") Method*

The DCF method values the business by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash discounted by Weighted Average Cost of Capital (WACC). The WACC represents the returns expected by the investors of both debt and equity, weighted for their relative funding in the entity. The present value of the free cash flows during the explicit period and the perpetuity value indicate the value of the business.

When using the DCF model, the directors have projected revenues and costs based on their best estimates. The net cash flows have been discounted using a WACC of **12.69%** (2014: 11.33%). While computing the WACC, market beta of comparable listed entities were used and thereafter adjusted for size and illiquidity. The valuer has also considered a growth rate of **2%** (2014 – 0%) in computing the terminal value and an EBITDA margin ranging from **7% to 15%** (2014 – 11% to 15%).

The carrying amount of available-for-sale financial assets would be an estimated **USD 5,784,452** (2014 – USD 5,829,592) higher or **USD 4,799,217** (2014 – USD 4,860,246) lower were the WACC used in the discount cash flow analysis to differ by 1% from management's estimates, assuming other variables remain constant.

The carrying amount of available-for-sale financial assets would be an estimated **USD 3,506,421** higher or **USD 3,508,977** lower were the EBITDA margin used in the discount cash flow analysis to differ by 5% from management's estimates, assuming other variables remain constant.

The carrying amount of available-for-sale financial assets would be an estimated **USD 3,288,457** higher or **USD 2,725,998** lower were the growth rate used in the discount cash flow analysis to differ by 1% from management's estimates, assuming other variables remain constant.

CFL Mauritius Ltd

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

5 INCOME TAX

South Africa

The Company invests in South Africa and the directors expect to obtain benefits under the double taxation treaty between South Africa and Mauritius. To obtain benefits under the double taxation treaty, the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certification from the Mauritian authorities which is renewable on an annual basis subject to meeting the conditions and believes such certification is determinative of its resident status for treaty purposes.

The treaty provides for a maximum dividends withholding tax of **5%** (2014 - 5%) for substantial holdings of at least **10%** (2014 - 10%) and withholding tax of **15%** (2014 - 15%) for holdings less than **10%** (2014 - 10%). There is no withholding tax on interest paid by a resident of South Africa to a resident of Mauritius, provided that the Mauritian resident is the beneficial owner of the interest.

Mauritius

The Company is under current laws and regulations, liable to pay income tax on its net income at a rate of **15%** (2014 - 15%). The Company is however entitled to a tax credit equivalent to the higher of the actual foreign tax suffered or **80%** (2014 - 80%) of the Mauritius tax payable in respect of its foreign source income thus reducing its effective tax rate to **3%** (2014 - 3%). No Mauritian tax on capital gains will be payable in respect of the Company's investments, and any dividend paid by the Company to its shareholder, is not subject in Mauritius to withholding or other tax.

The foregoing is based on current interpretation and practice and is subject to any future changes in South Africa and Mauritian tax laws and in the tax treaty between South Africa and Mauritius.

At 31 December 2015, the Company had accumulated tax losses of **USD 239,514** (2014 – USD 203,030) and was therefore not liable to income tax. Accumulated tax losses can be carried forward for set-off against income earned in the five years succeeding the year in which the loss is incurred.

The tax losses are available for set-off against the taxable profit of the Company as follows:

	2015 USD	2014 USD
Up to year ending:		
31 December 2018	**152,094**	152,094
31 December 2019	**50,936**	50,936
31 December 2020	**36,484**	-
	239,514	203,030

5 INCOME TAX (CONTINUED)

A reconciliation between the actual income tax and the theoretical amount that would arise using the applicable income tax rate of **15%** (2014 - 15%) is as follows:

	2015 USD	2014 USD
Loss before tax for the year	(36,484)	(50,936)
Tax at applicable rate of 15%	(5,473)	(7,641)
Impact of:		
Exempt income	-	1
Tax losses for which deferred tax asset has not been recognised	**5,473**	7,640
Actual income tax expense	-	-

6 AVAILABLE- FOR-SALE FINANCIAL ASSETS

	2015 USD	2014 USD
At beginning of year	28,278,287	28,840,478
Fair value gain / (loss)	6,102,902	(562,191)
At end of year	34,381,189	28,278,287

Name	Country of incorporation	Type of shares	Carrying value 2015 USD	Carrying value 2014 USD	% **Holdings 2015**	% Holdings 2014
Foskor (Proprietary) Limited	South Africa	Ordinary	**34,372,859**	28,269,957	11.82	11.82
Coromandel BrasilLimitada	Brazil	Ordinary	**8,330**	8,330	1	1
			34,381,189	28,278,287		

Available-for-sale financial assets have been recognised at fair value at 31 December 2014 and 31 December 2015.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

7 STATED CAPITAL

	2015 Number	2014 Number	2015 USD	2014 USD
Issued and fully paid up:				
Ordinary shares at USD 1 each				
At beginning of year	**22,025,000**	18,025,000	**22,025,000**	18,025,000
Addition	-	4,000,000	-	4,000,000
At end of year	**22,025,000**	22,025,000	**22,025,000**	22,025,000

The Company received USD 4,000,000 as subscription monies on 5 February 2014 from Coromandel International Limited to cater for its loan repayments and ongoing administration expenses purposes. The Board of directors of the Company has at meeting held on 17 March 2014 agreed to issue 4,000,000 ordinary shares of USD1 each against the subscription monies amounting to USD 4,000,000 to Coromandel International Limited.

The proceeds from subscription monies were used to repay the loans from HSBC Bank (Mauritius) Limited and the shareholder during the same year.

8 LOAN PAYABLE

(i) Loan from HSBC

	2015 USD	2014 USD
At beginning of year	-	1,999,053
Repayment of loan	-	(1,999,053)
Interest expense	-	5,787
Interest paid	-	(5,787)
At end of year	-	-

The loan from HSBC was repaid in full in February 2014.

(ii) Loan from shareholder – Coromandel International Limited

	2015 USD	2014 USD
At beginning of year	-	1,500,000
Repayment of loan	-	(1,500,000)
Interest expense	-	8,123
Interest paid	-	(8,123)
At end of year	-	-

The loan from shareholder was repaid in full in March 2014.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2015 (CONTINUED)

9 RELATED PARTY TRANSACTIONS

During the year ended 31 December 2015, the Company transacted with related parties.

Details of the nature, volume of transactions and balances for related party transactions are as follows:

Name of Related Party	**Relationship**	**Nature of transactions**	**Volume of transactions 2015 USD**	**Payable balance 2015 USD**	Volume of Transactions 2014 USD	Payable balance 2014 USD
International Financial Services Limited	Administrator, Secretary and Directorship	Professional fees (Including director fees)	**14,184**	**(1,095)**	20,264	(3,615)
			======	======	======	======

10 PARENT AND ULTIMATE PARENT

The directors consider Coromandel International Limited, a listed company incorporated in accordance with the laws of Republic of India, as the parent and the ultimate controlling party is E.I.D.-PARRY (INDIA) LTD., also listed on the India stock exchanges.