

**LEILA LANDS LTD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2017**

**LEILA LANDS LTD**

**FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED MARCH 31, 2017*

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**LEILA LANDS LTD****CORPORATE DATA**

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		<b>Date of Appointment</b>	<b>Date of Resignation</b>
<b>DIRECTORS:</b>	Patrick Kennedy Cassels	November 04, 1996	-
	Jayant Shripad Gadgil	June 16, 1998	-
	Rajiv Batra	June 14, 2012	-
	Chetanand Lungtoo	December 16, 2013	March 15, 2017
	Sevin Chendriah	February 23, 2016	-
	Sahjahan Ally Nauthoo	March 15, 2017	-
<b>SECRETARY:</b>	CIM CORPORATE SERVICES LTD Les Cascades Building Edith Cavell Street Port Louis Republic of Mauritius		
<b>REGISTERED OFFICE:</b>	C/o CIM CORPORATE SERVICES LTD Les Cascades Building Edith Cavell Street Port Louis Republic of Mauritius		
<b>AUDITORS:</b>	KPMG KPMG Centre 31 Cybercity Ebène Republic of Mauritius		
<b>BANKERS:</b>	BNP Paribas 10 Collyer Quay Ocean Financial Center Singapore 049315		
	Barclays Bank Mauritius Limited International Banking 1st Floor, Barclays House 68-68A Cybercity Ebène Republic of Mauritius		
	Standard Chartered Bank Account till June 2016 8 Marina Boulevard, Marina Bay Financial Centre Tower 1 Level 9 Singapore 018981		
	HSBC Bank (Mauritius) Limited Account till July 2016 6th Floor HSBC Centre 18 Cybercity Ebène Republic of Mauritius		

**LEILA LANDS LTD****COMMENTARY OF THE DIRECTORS  
FOR THE YEAR ENDED MARCH 31, 2017**

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The directors present their commentary, together with the audited financial statements of LEILA LANDS LTD (the "Company") for the year ended March 31, 2017.

**PRINCIPAL ACTIVITY**

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

**RESULTS AND DIVIDENDS**

The Company's profit for the year under review is **USD 16,163,163** (2016: USD 13,586,887). The directors do not propose the payment of any dividend for the year under review (2016: Nil)

**DIRECTORS**

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Directors are responsible for the preparation and presentation of the financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) 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.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

**AUDITORS**

The auditors, KPMG, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

**CERTIFICATE FROM THE SECRETARY**

**TO THE MEMBER OF LEILA LANDS LTD  
UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT**

We certify to the best of our knowledge and belief that the Company has filed with the Registrar all such returns as are required of the Company under Section 166(d) of the Mauritius Companies Act, for the financial year ended March 31, 2017.



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**CIM CORPORATE SERVICES LTD  
CORPORATE SECRETARY**

Les Cascades Building  
Edith Cavell Street  
Port-Louis  
Republic of Mauritius

Date: 19 MAY 2017

**CIM CORPORATE SERVICES LTD**

33, Edith Cavell Street, Port Louis, 11324, Mauritius

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BRN No. F07000189  
Website www.kpmg.mu

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBER OF LEILA LANDS LTD**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Leila Lands Ltd (the Company), which comprise the statement of financial position as at 31 March 2017 and the statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 34.

In our opinion, these financial statements have been prepared, in all material respects, in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2 (a) to the financial statements.

*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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBER OF LEILA LANDS LTD**

**Report on the Audit of the Financial Statements (continued)**

*Emphasis of matter - Basis of preparation*

We draw attention to note 2 (a) to the financial statements, which describes the basis of accounting. These are the Company's statutory financial statements and have been prepared in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence. The applicable financial reporting framework is IFRS except for the standard applicable to Consolidated Financial Statements (IFRS 10). Our opinion is not modified in respect of this matter.

*Other Information*

The directors are responsible for the other information. The other information comprises Corporate Data, the Commentary of the Directors and Certificate from the Secretary. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation and presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2 (a) 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.

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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBER OF LEILA LANDS LTD**

**Report on the Audit of the Financial Statements (continued)**

*Auditors' 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 auditors' 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 judgement 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 the directors.
- Conclude on the appropriateness of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBER OF LEILA LANDS LTD**

**Report on the Audit of the Financial Statements (continued)**

*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

*Other Matter*

This report is made solely to the Company's member, in accordance with Section 205 of the Mauritius Companies Act. Our audit work has been undertaken so that we might state to the Company's member those matters that we are required to state 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 member, for our audit work, for this report, or for the opinions we have formed.

**Report on Other Legal and Regulatory Requirements**

*Mauritius Companies Act*

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the 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.



**KPMG**  
Ebène, Mauritius

Date: 19 MAY 2017



**Wayne Pretorius**  
Licensed by FRC

## LEILA LANDS LTD

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	Note	2017 USD	2016 USD
<b>Income</b>			
Dividend income		17,500,000	15,000,000
Interest income		65	640
		<u>17,500,065</u>	<u>15,000,640</u>
<b>Expenses</b>			
Audit fees		4,500	4,900
Professional fees		723,316	328,835
Administrative expenses		1,290	1,075
Bank charges		7,542	3,388
Guarantee Commission		165,750	-
		<u>902,398</u>	<u>338,198</u>
<b>Operating profit</b>		<b>16,597,667</b>	<b>14,662,442</b>
Net finance costs	5	(434,504)	(1,075,555)
		<u>16,163,163</u>	<u>13,586,887</u>
<b>Profit before tax</b>		<b>16,163,163</b>	<b>13,586,887</b>
Tax expense	6	-	-
<b>Profit for the year</b>		<b>16,163,163</b>	<b>13,586,887</b>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>16,163,163</b>	<b>13,586,887</b>

The notes on pages 12 to 34 form an integral part of these financial statements.

## LEILA LANDS LTD

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	Note	2017 USD	2016 USD
<b>Assets</b>			
Investment in subsidiaries	7	210,540,412	210,540,412
Loan to fellow subsidiary	8	1,706,235	1,957,752
Amounts due from fellow subsidiaries	9	794,527	842,439
Amounts due from subsidiaries	10	1,203,962	1,381,437
Loan to related party	11	39,030,000	-
<b>Non-current assets</b>		<b>253,275,136</b>	<b>214,722,040</b>
Prepayment		831,135	-
Cash and cash equivalents	12	1,701,690	839,304
<b>Current assets</b>		<b>2,532,825</b>	<b>839,304</b>
<b>Total assets</b>		<b>255,807,961</b>	<b>215,561,344</b>
<b>Equity</b>			
Share capital	13	200	200
Retained earnings		103,397,842	87,234,679
<b>Total equity</b>		<b>103,398,042</b>	<b>87,234,879</b>
<b>Liabilities</b>			
Loans from related parties	14	52,639,001	52,889,577
Loan from holding company	15	1,471,463	7,847,589
Loans from third parties	16	3,275,650	3,275,650
Amount due to fellow subsidiaries	17	9,433,690	10,131,287
Interest-bearing loans and borrowings	18	72,750,000	27,000,000
<b>Non-current liabilities</b>		<b>139,569,804</b>	<b>101,144,103</b>
Other payables	19	187,611	150,906
Amount due to related parties	20	50,741	22,726
Interest-bearing loans and borrowings	18	12,601,763	27,008,730
<b>Current liabilities</b>		<b>12,840,115</b>	<b>27,182,362</b>
<b>Total liabilities</b>		<b>152,409,919</b>	<b>128,326,465</b>
<b>Total Equity and Liabilities</b>		<b>255,807,961</b>	<b>215,561,344</b>

These financial statements have been approved by the Board of Directors on ..... 19 MAY 2017 and signed on its behalf by:



Director



Director

The notes on pages 12 to 34 form an integral part of these financial statements.

**LEILA LANDS LTD****STATEMENT OF CHANGES IN EQUITY**  
*FOR THE YEAR ENDED MARCH 31, 2017*

	<u>Share capital</u> USD	<u>Retained earnings</u> USD	<u>Total equity</u> USD
Balance at 01 April 2015	200	73,647,792	73,647,992
<i>Total comprehensive income for the year</i>			
Profit for the year	-	13,586,887	13,586,887
Balance at 31 March 2016	<u>200</u>	<u>87,234,679</u>	<u>87,234,879</u>
<b>Balance at 01 April 2016</b>	<b>200</b>	<b>87,234,679</b>	<b>87,234,879</b>
<i>Total comprehensive income for the year</i>			
Profit for the year	-	16,163,163	16,163,163
<b>Balance at 31 March 2017</b>	<u><b>200</b></u>	<u><b>103,397,842</b></u>	<u><b>103,398,042</b></u>

The notes on pages 12 to 34 form an integral part of these financial statements.

## LEILA LANDS LTD

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

	Note	2017 USD	2016 USD
<b>Cash flows from operating activities</b>			
Profit before tax		16,163,163	13,586,887
<b>Adjustments for:</b>			
Interest expense		1,281,809	1,636,278
Dividend Income		(17,500,000)	(15,000,000)
Exchange difference on translation		(848,227)	(560,723)
		<u>(903,255)</u>	<u>(337,558)</u>
Changes in:			
Prepayments		(831,135)	-
Other payables		-	22,324
		<u>(1,734,390)</u>	<u>(315,234)</u>
<b>Cash used in operating activities</b>		<b>(1,734,390)</b>	<b>(315,234)</b>
Interest paid		(1,123,224)	(1,719,738)
<b>Net cash used in operating activities</b>		<b>(2,857,614)</b>	<b>(2,034,972)</b>
<b>Cash flows from investing activity</b>			
Dividend received		17,500,000	15,000,000
<b>Net cash from investing activity</b>		<b>17,500,000</b>	<b>15,000,000</b>
<b>Cash flows from financing activities</b>			
Repayment of loan from related parties		-	(4,150,000)
Repayment of loan from holding company		(6,000,000)	-
Loan granted to related party		(39,030,000)	-
Loan received during the year		40,266,992	-
Loan repaid during the year		(9,016,992)	(8,000,000)
		<u>(13,780,000)</u>	<u>(12,150,000)</u>
<b>Net cash used in financing activities</b>		<b>(13,780,000)</b>	<b>(12,150,000)</b>
<b>Net increase in cash and cash equivalents</b>		<b>862,386</b>	<b>815,028</b>
Net foreign exchange difference		-	(33,687)
Cash and cash equivalents at 01 April		839,304	57,963
<b>Cash and cash equivalents at 31 March</b>	<b>12</b>	<b>1,701,690</b>	<b>839,304</b>

The notes on pages 12 to 34 form an integral part of these financial statements.



**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

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**1. Reporting entity**

LEILA LANDS LTD (the “Company”) has been incorporated on 1st August 1995 in the Republic of Mauritius as a private company limited by shares in accordance with the Mauritius Companies Act. The address of the registered office is Les Cascades Building, Edith Cavell Street, Port Louis.

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

The Company is the holder of a Category 1 Global Business Licence under the Financial Services Act 2007.

**2. Basis of preparation***(a) Statement of Compliance*

The Company has subsidiaries and in accordance with International Financial Reporting Standards is required to present consolidated financial statements. In accordance with the Fourteenth Schedule of the Mauritius Companies Act, Section 12, the Company may not prepare group financial statements as it is a wholly owned subsidiary of another company and, in accordance with Section 211 of the Mauritius Companies Act, Content and form of financial statements, these financial statements present the financial position, financial performance and cash flow of the Company. Because the Company is a holder of a Category 1 Global Business Licence and is a wholly owned subsidiary of another company, these financial statements are prepared in accordance with Mauritius Companies Act which allows the use of International Financial Reporting Standards (“IFRS”) and interpretations adopted by the International Accounting Standards Board (IASB), except for the standard applicable to Consolidated Financial Statements (IFRS 10).

*(b) Basis of measurement*

The financial statements have been prepared on the going concern basis using the historical cost convention.

*(c) Functional and presentation currency*

The financial statements are presented in United States Dollar (“USD”) which is the Company’s functional currency.

*(d) Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017**

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**2. Basis of preparation (Continued)***(e) Changes in accounting policies*

In the current year, the Company has applied the following amendments to IFRSs issued by the IASB that are mandatorily effective for an accounting period that begins on or after 01 April 2016.

*Disclosure Initiative (Amendments to IAS 1)*

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements. The amendments also clarify presentation principles applicable to the order of notes, other comprehensive income (OCI), of equity accounted investees and subtotals presented in the statement of financial position and statement of profit or loss and OCI.

The amendments apply for annual periods beginning on or after 1 January 2016 and early application is permitted.

The adoption of the above amendments did not have significant impact on the Company's financial statements since the note and policies already included in the financial statements provide good understandability and comparability to the users.

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

*(a) Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency of the entity at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognised in profit or loss.

*(b) Investment in subsidiaries*

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

**LEILA LANDS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**3. Significant accounting policies (Continued)**

*(c) Investment in subsidiaries (continued)*

When the Company loses control over a subsidiary, it derecognises the assets & liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in former subsidiary is measured at fair value when control is lost. The investment in subsidiary is recognised at cost less impairment losses. Provision for impairment is only made where in opinion of the directors, there is a diminution in value which is other than temporary. Where there has been such a diminution in value of an investment, it is recognised as an expense in the year in which the diminution is identified.

*(c) Financial Instruments*

*Non-derivative financial assets*

The Company initially recognises non-derivative financial assets on the date that they are originated. All other financial are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies loans and receivables as non-derivative financial assets.

*Loans and receivables*

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, loan to fellow subsidiary, amount due from subsidiaries and fellow subsidiaries and loan to related party.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and cash in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

**LEILA LANDS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**3. Significant accounting policies (Continued)**

**(c) Financial Instruments (continued)**

*Non-derivative financial liabilities*

Other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

Other financial liabilities comprise loans from related parties, loan from holding company, loans from third parties, amount due to fellow subsidiaries and related parties, interest-bearing loans and borrowings and other payables.

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

**(d) Impairment of non-derivative financial assets**

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s), and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security.

*Financial assets measured at amortised cost*

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED MARCH 31, 2017*

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**3. Significant accounting policies (Continued)****(e) Provisions**

A provision is recognised if, as a result of past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as the finance cost.

**(f) Expenses**

All expenses are recognised in profit or loss on an accrual basis.

**(g) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

**(h) Revenue**

Revenue earned by the Company is recognised on the following basis:

- Interest income is recognised using the effective interest method.
- Dividend income is recognised when the shareholder's right to receive payment is established and is shown net of any withholding tax.

**(i) Net finance costs**

Net finance costs comprise interest expense on loans and foreign currency gain that are recognised in profit or loss. Interest expense is recognised using the effective interest method.

**(j) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

*Current Tax*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or receivable in respect of previous years. Current tax assets and liabilities are offset only if certain criteria are met.



**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**3. Significant accounting policies (Continued)****(j) Income tax (continued)***Deferred Tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only if certain criteria are met. Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**4. New standards and interpretations not yet adopted**

Up to the date of issue of these financial statements, the IASB has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2017 and which have not been adopted in these financial statements.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far, it has concluded that the adoption of them is unlikely to have a significant impact on the Company's results of operations and financial position.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**


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**4. New standards and interpretations not yet adopted (Continued)**

Standard/Interpretation		Effective date
IAS 7	Disclosure amendments	Annual periods beginning on or after 01 January 2017*
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	Annual periods beginning on or after 01 January 2017*
IFRS 9	Financial Instruments	Annual periods beginning on or after 01 January 2018*
IFRS 15	Revenue from Contracts with Customers	Annual periods beginning on or after 01 January 2018*

\*All Standards and Interpretations will be adopted at their effective date (except for those Standards and Interpretations that are not applicable to the entity).

***Disclosure Initiative (Amendments to IAS 7)***

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances to liabilities arising from financing activities.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

The directors are in the process of assessing the impact of the standard on the Company's financial statements.

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

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

The directors are in the process of assessing the impact of the standard on the Company's financial statements.

**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED MARCH 31, 2017***4. New standards and interpretations not yet adopted (Continued)****IFRS 9 *Financial Instruments***

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard will have an impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognised in the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

The directors are in the process of assessing the impact of the standard on the Company's financial statements.

**IFRS 15 *Revenue from contracts with customers***

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will most likely have a minimal impact on the Company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

**5. Net finance costs**

	<u>2017</u>	<u>2016</u>
	<u>USD</u>	<u>USD</u>
Interest on loans (other than those from related parties)	1,252,962	1,614,847
Interest on loans from related parties	28,847	21,431
Foreign exchange gain	(847,305)	(560,723)
	<u>434,504</u>	<u>1,075,555</u>

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**6. Tax expense**

The Company holds a Category 1, Global Business Licence, issued by the Financial Services Commission under the Financial Services Act 2007. The net income of the Company is subject to income tax in Mauritius at the rate of 15%. It is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax chargeable on its foreign source income. As at 31 March 2017, the Company has no tax liability.

*Current tax charge*

	<u>2017</u>	<u>2016</u>
	USD	USD
Charge for the year	-	-

A reconciliation between the accounting profit at the Company's tax rate of 15% and the tax charge is shown below:-

	<u>2017</u>	<u>2016</u>
	USD	USD
Profit before tax	<u>16,163,163</u>	<u>13,586,887</u>
Tax effect at 15%	2,424,474	2,038,033
Underlying Tax	674,379	538,405
Foreign tax credit	<u>(3,098,853)</u>	<u>(2,576,438)</u>
	<u>-</u>	<u>-</u>

**7. Investments in subsidiaries***(a) Cost*

	<u>2017</u>	<u>2016</u>
	USD	USD
At 01 April and 31 March	<u>210,540,412</u>	<u>210,540,412</u>

*(b) Details of investments are as follows:*

<u>Name of investee company</u>	<u>Type and number of shares</u>	<u>Country of incorporation</u>	<u>Nominal value of investments</u>	<u>% Holding 2017</u>	<u>% Holding 2016</u>
			USD		
Britannia Brands Limited	Equity 4	United Kingdom	189,024,637	100%	100%
ABI Holdings Limited	Equity 4,000,002	United Kingdom	21,515,775	50%	50%

*(c) The Company holds the remaining 50% (2016: 50%) of ABI Holdings Limited indirectly through Britannia Brands Limited.*

**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2017****7. Investments in subsidiaries (continued)**

(d) *The subsidiaries of ABI Holdings Limited (namely the fellow subsidiaries) are as follows:*

	<b>Country of incorporation</b>	<b>Indirect holding 2017</b>	<b>Indirect holding 2016</b>
Associated Biscuits International Limited	United Kingdom	<b>100%</b>	100%
Bannatyne Enterprises Pte Ltd	Singapore	<b>100%</b>	100%
Dowbiggin Enterprises Pte Ltd	Singapore	<b>100%</b>	100%
Nacupa Enterprises Pte Ltd	Singapore	<b>100%</b>	100%
Spargo Enterprises Pte Ltd	Singapore	<b>100%</b>	100%
Valletort Enterprises Pte Ltd	Singapore	<b>100%</b>	100%

**8. Loan to fellow subsidiary**

	<u>2017</u> <b>USD</b>	<u>2016</u> <b>USD</b>
Loan to Associated Biscuits International Limited	<u><b>1,706,235</b></u>	<u>1,957,752</u>

The loan to fellow subsidiary is interest free, unsecured and will not be recalled within the next twelve months.

**9. Amounts due from fellow subsidiaries**

	<u>2017</u> <b>USD</b>	<u>2016</u> <b>USD</b>
Associated Biscuits International Limited	<b>704,680</b>	749,731
Bannatyne Enterprises Pte Ltd	<b>16,072</b>	16,584
Dowbiggin Enterprises Pte Ltd	<b>16,201</b>	16,717
Nacupa Enterprises Pte Ltd	<b>16,023</b>	16,533
Spargo Enterprises Pte Ltd	<b>16,039</b>	16,550
Valletort Enterprises Pte Ltd	<b>25,512</b>	26,324
	<u><b>794,527</b></u>	<u>842,439</u>

The amounts due from fellow subsidiaries are interest free, unsecured and will not be recalled within the next twelve months.



## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**10. Amounts due from subsidiaries**

	<u>2017</u>	<u>2016</u>
	USD	USD
ABI Holdings Limited	3,138	3,600
Britannia Brands Limited	<u>1,200,824</u>	<u>1,377,837</u>
	<u>1,203,962</u>	<u>1,381,437</u>

The amounts due from subsidiaries are interest free, unsecured and will not be recalled within the next twelve months.

**11. Loan to related party**

	<u>2017</u>	<u>2016</u>
	USD	USD
Loan to Baymanco Investments Limited	<u>39,030,000</u>	<u>-</u>

The loan to related party is unsecured, interest free and will not be recalled within the next twelve months.

**12. Cash and cash equivalents**

	<u>2017</u>	<u>2016</u>
	USD	USD
Cash in hand	200	200
Cash at bank	<u>1,701,490</u>	<u>839,104</u>
	<u>1,701,690</u>	<u>839,304</u>

**13. Share capital**

	<u>2017</u>	<u>2016</u>
	USD	USD
<b>Issued and fully paid</b>		
2 Ordinary shares of USD 100 each	<u>200</u>	<u>200</u>

There were no movements in the issued share capital of the Company in either the 2017 or 2016 reporting periods. The Company has one class of ordinary shares which carry no right to fixed income.

The ordinary share shall confer on its holder:

- (i) the right to one vote on a poll at a meeting of the Company on any resolution;
- (ii) the right to an equal share in dividends authorised by the Board;
- (iii) the right to an equal share in the distribution of the surplus assets of the Company

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**14. Loans from related parties**

	<u>2017</u>	<u>2016</u>
	USD	USD
Loan from Island Horti-Tech Holdings Pte Ltd	1,315,148	1,315,148
Loan from Naira Holdings Limited	51,323,853	51,574,429
	<u>52,639,001</u>	<u>52,889,577</u>

The loans from related parties are unsecured and will not be recalled within the next twelve months. The loans from related parties are interest free except for USD 1,315,148 that bears interest at LIBOR plus 1% per annum.

**15. Loan from holding company**

	<u>2017</u>	<u>2016</u>
	USD	USD
Loan from Leila Lands Sdn. Bhd.	1,471,463	7,847,589

The loan from holding company is unsecured, interest free and will not be recalled within the next twelve months.

**16. Loans from third parties**

	<u>2017</u>	<u>2016</u>
	USD	USD
Loan from Ben Nevis Investments Limited	1,226,000	1,226,000
Loan from Newpoint Enterprises Ltd	2,049,650	2,049,650
	<u>3,275,650</u>	<u>3,275,650</u>

The loans from third parties are unsecured, bear interest at LIBOR plus 0.25% and will not be recalled within the next twelve months.

**17. Amount due to fellow subsidiaries**

	<u>2017</u>	<u>2016</u>
	USD	USD
Bannatyne Enterprises Pte Ltd	1,973,034	2,146,394
Dowbiggin Enterprises Pte Ltd	1,301,884	1,347,712
Nacupa Enterprises Pte Ltd	1,952,721	2,089,199
Spargo Enterprises Pte Ltd	2,188,676	2,362,155
Valletort Enterprises Pte Ltd	2,017,375	2,185,827
	<u>9,433,690</u>	<u>10,131,287</u>

The amount due to fellow subsidiaries are unsecured, interest free and will not be recalled within the next twelve months.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**18. Interest-bearing loans and borrowings**

	<u>2017</u>	<u>2016</u>
	USD	USD
<b>Current</b>		
Bank loan	12,500,000	27,000,000
Interest payable	101,763	8,730
	<u>12,601,763</u>	<u>27,008,730</u>
<b>Non-current</b>		
Bank loan	72,750,000	27,000,000
Total	<u>85,351,763</u>	<u>54,008,730</u>

In April 2016, the Company entered into a facility agreement with BNP Paribas, Singapore branch for **USD 55,250,000** to refinance the outstanding loan from Standard Chartered Bank of **USD 54,000,000**. The loan is secured by corporate guarantees from subsidiaries and the ultimate holding company, The Bombay Burmah Trading Corporation, Limited. The Company repaid **USD 10,000,000** in the current year. In March 2017, the Company took an additional loan of **USD 40,000,000** and entered into an Amendment and Restatement Agreement dated March 15, 2017 for an aggregate facility of **USD 85,250,000**. The additional loan is secured by guarantees given by the subsidiaries and a letter of support from ultimate holding company. The interest rate of the loan is the percentage rate per annum equal to the aggregate of the applicable margin and LIBOR. The Company shall repay the loan in full in five annual instalments commencing from 15 September 2017, by repaying on each repayment date, an amount as set out in the Amendment and Restatement Agreement.

**19. Other payables**

	<u>2017</u>	<u>2016</u>
	USD	USD
Accruals	4,500	4,500
Interest payable to third parties	183,111	146,406
	<u>187,611</u>	<u>150,906</u>

**20. Amount due to related parties**

	<u>2017</u>	<u>2016</u>
	USD	USD
Island Horti-Tech Holdings Pte Ltd	50,055	22,040
Naira Holdings Limited	686	686
	<u>50,741</u>	<u>22,726</u>

The amount due to related parties are unsecured and have no fixed repayment terms.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**21. Financial instruments****(a) Fair values and risk management****(i) Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	<u>Carrying Amount</u>		<u>Fair Value</u>			<u>Total</u>
	<u>Loans and receivables</u>	<u>Other financial liabilities</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
2017	USD	USD	USD	USD	USD	USD
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents	1,701,690	-	-	-	-	-
Loans and other receivables	42,734,724	-	-	-	-	-
	<u>44,436,414</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>						
Loans and other payables - Interest bearing	-	89,942,561	-	89,893,415	-	89,893,415
Loans and other payables - Non interest bearing	-	62,279,747	-	-	-	-
Accruals	-	187,611	-	-	-	-
	<u>-</u>	<u>152,409,919</u>	<u>-</u>	<u>89,893,415</u>	<u>-</u>	<u>89,893,415</u>

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**21. Financial instruments (continued)****(b) Fair values and risk management (continued)****(ii) Accounting classifications and fair values (continued)**

	<u>Carrying Amount</u>		<u>Fair Value</u>			Total
	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	
2016	USD	USD	USD	USD	USD	USD
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents	839,304	-	-	-	-	-
Loans and other receivables	4,181,628	-	-	-	-	-
	<u>5,020,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>						
Loans and other payables - Interest bearing	-	58,599,528	-	59,800,461	-	59,800,461
Loans and other payables- Non interest bearing	-	65,576,031	-	-	-	-
Accruals	-	150,906	-	-	-	-
	<u>-</u>	<u>128,326,465</u>	<u>-</u>	<u>59,800,461</u>	<u>-</u>	<u>59,800,461</u>

**(c) Financial risk management****Overview**

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

**LEILA LANDS LTD**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**

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**(c) Financial risk management (continued)**

**Overview (continued)**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

**Market risk**

Market risk is the risk that the changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has financial assets and financial liabilities which are mainly denominated in United States Dollar (USD), Singapore Dollar (SGD) and Great Britain Pound (GBP) and loans in GBP, USD and Malaysian Ringgit.

Consequently, the Company is exposed to the risk that the exchange rate of the US Dollar relative to the Great Britain Pound, Singapore Dollar and Malaysian Ringgit may change in a manner which has a material effect on the reported value of the Company's financial assets and financial liabilities which are denominated in these currencies.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies' exchange rate (USD), with all other variables held constant, of the Company's profit after tax and equity.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**21. Financial instruments (Continued)****(c) Financial risk management (Continued)****Market risk (Continued)***Currency risk (Continued)**Currency profile*

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

	<b>Financial assets 2017</b>	<b>Financial liabilities 2017</b>	Financial assets 2016	Financial liabilities 2016
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Great Britain Pound	3,207,812	6,476,800	3,684,555	7,431,548
United States Dollar	41,101,690	144,462,279	1,157,794	113,082,541
Singapore Dollar	126,912	860,673	178,583	858,458
Malaysian Ringgit	-	610,167	-	6,953,918
	<u>44,436,414</u>	<u>152,409,919</u>	<u>5,020,932</u>	<u>128,326,465</u>

	<b>Change in USD rate</b>	<b>2017 Effect on</b>		<b>2016 Effect on</b>	
		<b>Profit USD</b>	<b>Equity USD</b>	<b>Profit USD</b>	<b>Equity USD</b>
Great British Pound	± 5%	163,450 (163,450)	163,450 (163,450)	187,350 (187,350)	187,350 (187,350)
Singapore Dollar	± 5%	34,941 (38,619)	34,941 (38,619)	32,375 (35,783)	32,375 (35,783)
Malaysian Ringgit	± 5%	29,056 (32,114)	29,056 (32,114)	331,139 (365,996)	331,139 (365,996)

*Cash flow interest rate risk*

Cash flow interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company obtains additional financing through immediate holding company and its fellow subsidiaries. The Company's policy is to obtain the most favourable interest rates available. Surplus funds are placed with reputable banks. Information relating to the Company's interest rate exposure is as follows:

At the end of the reporting period, the Company's interest bearing financial instruments included loans and borrowings from bank and related parties which bears interest at LIBOR plus applicable margin and loans from third parties which bears interest at LIBOR plus 0.25%.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**21. Financial instruments (Continued)***(c) Financial risk management (Continued)***Market risk (Continued)***Cash flow interest rate risk (continued)*

At the end of the reporting period, the interest rate profile of the Company's interest-bearing financial instruments were as follows:

<b>Variable rate instrument</b>	<b>Carrying amount 2017 USD</b>	<b>Carrying amount 2016 USD</b>
Financial assets	-	-
Financial liabilities	89,840,798	58,590,798
	<u>89,840,798</u>	<u>58,590,798</u>

*Sensitivity analysis for interest rate risk*

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portions of loans and borrowings with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows.

	<u>Increase / (decrease) in basis points</u>	<u>Effect on Profit before Tax</u>
<b><u>2017</u></b>		
United States Dollar	±45	(404,284) 404,284
<b><u>2016</u></b>		
United States Dollar	±45	(263,659) 263,659



## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**21. Financial instruments (Continued)****(c) Financial risk management (Continued)****Credit risk**

It relates to risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Company's main credit risk concentration is its cash and cash equivalents and loan to fellow subsidiary, amount due from subsidiaries and fellow subsidiaries and loan to related party.

With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, loan to fellow subsidiary and related party, amount due from subsidiaries and fellow subsidiaries, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

	<u>2017</u>	<u>2016</u>
	USD	USD
Loan to fellow subsidiary	1,706,235	1,957,752
Amounts due from fellow subsidiaries	794,527	842,439
Amounts due from subsidiaries	1,203,962	1,381,437
Loan to related party	39,030,000	-
Cash at bank	1,701,690	839,104
	<u>44,436,414</u>	<u>5,020,732</u>

The financial assets exclude prepayment of **USD 831,135** (2016: NIL).

The financial assets are neither past due nor impaired at the reporting date. The cash and cash equivalents are maintained with reputable banks. In view of reputed listed investments held by the counterparties, the Company does not expect any counterparty to fail to meet its obligations.

The ageing of loans and receivables at the end of the reporting year was:

	<u>2017</u>	<u>2016</u>
	USD	USD
Within one year	-	-
More than one year	42,734,724	4,181,628
	<u>42,734,724</u>	<u>4,181,628</u>

**Liquidity risk**

It relates to risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank balances, bank loans and loan from related parties.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**21. Financial instruments (Continued)****(c) Financial risk management (Continued)****Liquidity risk (continued)**

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2017 based on contractual undiscounted payments:

<b>Year ended 31 March 2017</b>	<b>&lt; 1 year USD</b>	<b>&gt; 1 year USD</b>	<b>Total USD</b>
Loans from related parties	-	52,639,001	52,639,001
Loans from holding company	-	1,471,463	1,471,463
Loan from third parties	-	3,275,650	3,275,650
Amount due to fellow subsidiaries	-	9,433,690	9,433,690
Interest-bearing loans and borrowings	12,601,763	72,750,000	85,351,763
Amount due to related parties	50,741	-	50,741
Other payables	187,611	-	187,611
	<u>12,840,115</u>	<u>139,569,804</u>	<u>152,409,919</u>
<b>Year ended 31 March 2016</b>	<b>&lt; 1 year USD</b>	<b>&gt; 1 year USD</b>	<b>Total USD</b>
Loans from related parties	-	52,889,577	52,889,577
Loans from holding company	-	7,847,589	7,847,589
Loan from third parties	-	3,275,650	3,275,650
Amount due to fellow subsidiaries	-	10,131,287	10,131,287
Interest-bearing loans and borrowings	27,008,730	27,000,000	54,008,730
Amount due to related parties	22,726	-	22,726
Other payables	150,906	-	150,906
	<u>27,182,362</u>	<u>101,144,103</u>	<u>128,326,465</u>

**22. Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholder, return capital to the shareholder or issue new shares.

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**22. Capital risk management (continued)**

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings from third parties, related parties, subsidiaries and fellow subsidiaries, holding company and bank; less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent.

The gearing ratio at the year-end was as follows:

	<u>2017</u>	<u>2016</u>
	USD	USD
Loans from related parties	52,639,001	52,889,577
Loans from holding company	1,471,463	7,847,589
Loan from third parties	3,275,650	3,275,650
Amount due to fellow subsidiaries	9,433,690	10,131,287
Interest-bearing loans and borrowings	85,351,763	54,008,730
Less cash and cash equivalents	(1,701,690)	(839,304)
Net debt	<u>150,469,877</u>	<u>127,313,529</u>
Share capital	200	200
Retained earnings	<u>103,397,842</u>	<u>87,234,679</u>
	<u>103,398,042</u>	<u>87,234,879</u>
Capital and net debt	<u>253,867,919</u>	<u>214,548,408</u>
Gearing ratio	59.3%	59.3%

The Company reviews its capital structure regularly in light of changes in economic conditions and development plans. The Company may commit additional funds through related party loans.

**23. Related party transactions**

During the year under review, the Company transacted with related entities. The nature, volume of transactions and the balance with those entities are as follows:

## LEILA LANDS LTD

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2017**
**23. Related party transactions (Continued)**

Nature of Relationship	Nature of Transaction	Value of transaction for the year ended 31 March 2017 USD	Value of transaction for the year ended 31 March 2016 USD	Debit/ (Credit) at 31 March 2017 USD	Debit / (Credit) at 31 March 2016 USD
Subsidiaries	Dividend income	17,500,000	15,000,000	-	-
	Amount receivable	(177,475)	(43,170)	1,203,962	1,381,437
Holding company	Loan payable	6,376,126	460,330	(1,471,463)	(7,847,589)
Ultimate holding company	Guarantee commission	(165,750)	-	-	-
Fellow subsidiaries	Loan receivable	(251,517)	(61,179)	1,706,235	1,957,752
	Amount receivable	(47,912)	(8,667)	794,527	842,439
	Amount payable	697,597	169,685	(9,433,690)	(10,131,287)
Entities under common control	Loan payable	250,576	4,191,872	(52,639,001)	(52,889,577)
	Loan receivable	39,030,000	-	39,030,000	-
	Amount payable	28,015	35,539	(50,741)	(22,726)
Management company	Professional Fees	(11,785)	(7,335)	-	-
	Directors fees	(1,500)	(1,500)	-	-

**24. Holding and ultimate holding companies**

The Company is a wholly owned subsidiary of Leila Lands Sdn. Bhd. a Company incorporated in Malaysia. The ultimate holding Company is the Bombay Burmah Trading Corporation Limited, a Company incorporated in India.

**LEILA LANDS LTD****NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED MARCH 31, 2017*

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**25. Consolidated financial statements**

The ultimate holding Company, Bombay Burmah Trading Corporation Limited prepares consolidated financial statements, for public use, in accordance with Indian GAAP. The registered office of Bombay Burmah Trading Corporation Limited is 9, Wallace Street, Fort, Mumbai 400 001.

**26. Subsequent Events**

There have been no material events after the end of the reporting period which would require disclosure or adjustments to the financial statements for the year ended 31 March 2017.