LEILA LANDS LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018

LEILA LANDS LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

CONTENTS	**PAGE(S)**

LEILA LANDS LTD

CORPORATE DATA

		Date of Appointment	Date of Resignation
DIRECTORS:	Patrick Kennedy Cassels	November 04, 1996	-
	Jayant Shripad Gadgil	June 16, 1998	-
	Rajiv Batra	June 14, 2012	-
	Sevin Chendriah	February 23, 2016	-
	Sahjahan Ally Nauthoo	August 22, 2016	May 07,2018
	Savinilorna Payandi-Pillay-Ramen	May 07,2018	-

SECRETARY:

SGG Corporate Services (Mauritius) Ltd
Les Cascades Building
Edith Cavell Street
Port Louis
Republic of Mauritius

REGISTERED OFFICE:

C/o SGG Corporate Services (Mauritius) Ltd
Les Cascades Building
Edith Cavell Street
Port Louis
Republic of Mauritius

AUDITORS:

KPMG
KPMG Centre
31 Cybercity
Ebène
Republic of Mauritius

BANKERS:

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

LEILA LANDS LTD

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2018

The directors present their commentary, together with the audited financial statements of LEILA LANDS LTD (the "Company") for the year ended March 31, 2018.

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 16,737,830** (2017: USD 16,163,163). The directors do not propose the payment of any dividend for the year under review (2017: Nil)

DIRECTORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The Directors are responsible for 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, 2018.

SGG Corporate Services (Mauritius) Ltd
Corporate Secretary

Date: 18 MAY 2018

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BRN No. F07000189
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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 2018 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 37.

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 holdings 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.

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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF LEILA LANDS LTD

Report on the Audit of the Financial Statements (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Corporate data, 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act, 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.

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.

KPMG

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)

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.

- 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.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF LEILA LANDS LTD

Report on the audit of Financial Statements (continued)

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

KPMG
Ebène, Mauritius

Wayne Pretorius

Wayne Pretorius
Licensed by FRC

Date: **18 May 2018**

LEILA LANDS LTD

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

	Note	2018 USD	2017 USD
Income			
Dividend income		**20,500,000**	17,500,000
Interest income		**-**	65
		20,500,000	17,500,065
Expenses			
Audit fees		**5,000**	4,500
Professional fees		**541,652**	723,316
Administrative expenses		**2,055**	1,290
Bank charges		**6,303**	7,542
Guarantee Commission		**165,750**	165,750
		720,760	902,398
Operating profit		**19,779,240**	16,597,667
Net finance costs	5	**(3,041,410)**	(434,504)
Profit before tax		**16,737,830**	16,163,163
Tax expense	6	**-**	-
Profit for the year		**16,737,830**	16,163,163
Other comprehensive income, net of tax			-
Total comprehensive income for the year		**16,737,830**	16,163,163

The notes on pages 12 to 37 form an integral part of these financial statements.

LEILA LANDS LTD

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	Note	2018 USD	2017 USD
Assets			
Investment in subsidiaries	7	**210,540,412**	210,540,412
Loan to fellow subsidiary	8	**1,904,865**	1,706,235
Amounts due from fellow subsidiaries	9	**837,199**	794,527
Amounts due from subsidiaries	10	**1,344,119**	1,203,962
Loan to related party	11	**39,040,000**	39,030,000
Non-current assets		**253,666,595**	253,275,136
Prepayment		**619,467**	831,135
Cash and cash equivalents	12	**1,322,031**	1,701,690
Current assets		**1,941,498**	2,532,825
Total assets		**255,608,093**	255,807,961
Equity			
Share capital	13	**200**	200
Retained earnings		**120,135,672**	103,397,842
Total equity		**120,135,872**	103,398,042
Liabilities			
Loans from related parties	14	**53,527,767**	52,639,001
Loan from holding company	15	**1,585,861**	1,471,463
Loans from third parties	16	**-**	3,275,650
Amount due to fellow subsidiaries	17	**9,984,602**	9,433,690
Interest-bearing loans and borrowings	18	**55,250,000**	72,750,000
Non-current liabilities		**120,348,230**	139,569,804
Other payables	19	**4,500**	187,611
Amount due to related parties	20	**90,280**	50,741
Interest-bearing loans and borrowings	18	**15,029,211**	12,601,763
Current liabilities		**15,123,991**	12,840,115
Total liabilities		**135,472,221**	152,409,919
Total Equity and Liabilities		**255,608,093**	255,807,961

These financial statements have been approved by the Board of Directors on 18 MAY 2018 and signed on its behalf by:

SRayRamen

Director

Director

The notes on pages 12 to 37 form an integral part of these financial statements.

LEILA LANDS LTD

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

	Share capital USD	Retained earnings USD	Total equity USD
Balance at 01 April 2016	200	87,234,679	87,234,879
Total comprehensive income for the year			
Profit for the year	-	16,163,163	16,163,163
Balance at 31 March 2017	200	103,397,842	103,398,042
Balance at 01 April 2017	200	103,397,842	103,398,042
Total comprehensive income for the year			
Profit for the year	-	**16,737,830**	**16,737,830**
Balance at 31 March 2018	**200**	**120,135,672**	**120,135,872**

The notes on pages 12 to 37 form an integral part of these financial statements.

LEILA LANDS LTD

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

	Note	2018 USD	2017 USD
Cash flows from operating activities			
Profit before tax		**16,737,830**	16,163,163
Adjustments for:			
Interest expense		**2,524,587**	1,281,809
Dividend Income		**(20,500,000)**	(17,500,000)
Exchange difference on translation		**516,823**	(848,227)
		(720,760)	(903,255)
Changes in:			
Prepayments		**211,668**	(831,135)
Other payables		**(183,111)**	-
Cash used in operating activities		**(692,203)**	(1,734,390)
Interest paid		**(2,597,139)**	(1,123,224)
Net cash used in operating activities		**(3,289,342)**	(2,857,614)
Cash flows from investing activity			
Dividend received		**20,500,000**	17,500,000
Net cash from investing activity		**20,500,000**	17,500,000
Cash flows from financing activities			
Repayment of loan from third parties		**(3,275,650)**	-
Repayment of loan from holding company		-	(6,000,000)
Loan granted to related party		**(10,000)**	(39,030,000)
Loan from and amount due to related parties		**695,333**	-
Loan received during the year		-	40,266,992
Loan repaid during the year		**(15,000,000)**	(9,016,992)
Net cash used in financing activities		**(17,590,317)**	(13,780,000)
Net (decrease)/increase in cash and cash equivalents		**(379,659)**	862,386
Net foreign exchange difference		-	-
Cash and cash equivalents at 01 April		**1,701,690**	839,304
Cash and cash equivalents at 31 March	**12**	**1,322,031**	1,701,690

The notes on pages 12 to 37 form an integral part of these financial statements.

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 investment in 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, except for certain financial assets and financial liabilities which are stated at fair value.

(c) Functional and presentation currency

The financial statements are presented in United States Dollar ("USD") which is the Company's functional currency and presentation 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.

2. Basis of preparation (Continued)

(d) Use of estimates and judgements (continued)

Impairment

Management carries out a regular review of the status of the assets of the Company to determine whether there is any indication that these assets suffered any impairment.

If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment, which is then recognised in profit or loss. Management checks whether there is objective evidence that the assets are impaired and whether the fair values have declined. Management estimates of the impairment are based on critical evaluation of the economic circumstances involved, historical experience and other factors considered to be relevant.

(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 2017.

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 for liabilities arising from financing activities. This amendment did not have a major impact on the financial statements, since the notes currently include the relevant disclosures as mentioned above.

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. This amendment did not have a major impact on the financial statements, since the Company does not have any such financial statement caption that gives rise to temporary differences.

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

LEILA LANDS LTD

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

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.

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.

3. Significant accounting policies (Continued)

(c) Financial Instruments (continued)

Non-derivative financial assets (continued)

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, and are held for the purpose of meeting short-term cash commitments.

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.

3. Significant accounting policies (Continued)

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

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.

Impairment of Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non – financial assets to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre – tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(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.

LEILA LANDS LTD

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

3. Significant accounting policies (Continued)

(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.

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.

3. Significant accounting policies (Continued)

(j) Income tax (continued)

Deferred Tax (continued)

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.

(k) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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 2018 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.

Standard/Interpretation		Effective date Periods beginning on or after
IFRS 15	Revenue from contracts with customers	1 January 2018
IFRS 9	Financial Instruments	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Considerations	1 January 2018
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019

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

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.

The adoption of the above amendments will not result into a significant impact on the Company's financial statements.

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

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.*

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 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Company has performed an impact assessment of all three aspects of IFRS 9.

This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company will adopt IFRS 9.

Overall, the Company expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9. The Company expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the Company will implement changes in classification of certain financial instruments.

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

IFRS 9 Financial Instruments (continued)

Classification and measurement of financial assets

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss ("FVTPL"). Debt instruments are subsequently measured at FVTPL, amortised cost or fair value through other comprehensive income ("FVOCI"), on the basis of their contractual cash flows and the business model under which the debt instruments are held. There is a fair value option ("FVO") that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch. Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income ("OCI") (without subsequent reclassification to profit or loss).

Classification and measurement of financial liabilities

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other IAS 39 Financial Instruments: Recognition and Measurement classification and measurement requirements for financial liabilities have been carried forward into IFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

Impairment

The impairment requirements are based on an expected credit loss ("ECL") model that replaces the IAS 39 incurred loss model. The ECL model applies to: debt instruments accounted for at amortised cost or at FVOCI; most loan commitments; financial guarantee contracts; contract assets under IFRS 15; and lease receivables under IAS 17 Leases. Entities are generally required to recognise either 12-months' or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach may be applied whereby the lifetime expected credit losses are always recognised.

Classification and measurement

The Company does not expect a significant impact on its balance sheet or equity on applying the classification and measurement requirements of IFRS 9.

Loans carried at amortised cost are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, these financial assets will continue to be subsequently measured at amortised cost under IFRS 9.

All other financial assets will continue to be measured on the same bases as is currently adopted under IAS 39.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities.

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

IFRIC 22 Foreign Currency Transactions and Advance Considerations

When foreign currency consideration is paid or received in advance of the item it relates to, which may be an asset, an expense or income, IAS 21, The Effects of Changes in Foreign Exchange Rates is not clear on how to determine the transaction date for translating the related item.

This has resulted in diversity in practice regarding the exchange rate used to translate the related item. IFRIC 22 clarifies that the transaction date is the date on which the entity initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

This standard did not have a major impact on the financial statements, since most of the transactions of the Company take place in the USD, which is the functional currency.

The interpretation applies for annual reporting periods beginning on or after 1 January 2018.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.

IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

- judgments made;
- assumptions and other estimates used; and
- the potential impact of uncertainties that are not reflected.

The application of this standard will result in additional disclosures in the financial statements when the standard will become effective.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.

5. Net finance costs

	2018	2017
	USD	USD
Interest on loans (other than those from related parties)	**2,489,252**	1,252,962
Interest on loans from related parties	**35,335**	28,847
Foreign exchange loss / (gain)	**516,823**	(847,305)
	3,041,410	434,504

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

	2018	2017
	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:-

	2018	2017
	USD	USD
Profit before tax	**16,737,830**	16,163,163
Tax effect at 15%	**2,510,675**	2,424,474
Underlying Tax	**696,818**	674,379
Foreign tax credit	**(3,207,493)**	(3,098,853)
	-	-

7. Investments in subsidiaries

(a) *Cost*

	2018	2017
	USD	USD
At 01 April and 31 March	**210,540,412**	210,540,412

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

Name of investee company	Type and number of shares	Country of incorporation	Nominal value of investments	% Holding 2018	% Holding 2017
			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%

7. Investments in subsidiaries (Continued)

(c) *The Company holds the remaining 50% (2017: 50%) of ABI Holdings Limited indirectly through Britannia Brands Limited.*

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

	Country of incorporation	**Indirect holding 2018**	Indirect holding 2017
Associated Biscuits International Limited	United Kingdom	100%	100%
Bannatyne Enterprises Pte Ltd	Singapore	100%	100%
Dowbiggin Enterprises Pte Ltd	Singapore	100%	100%
Nacupa Enterprises Pte Ltd	Singapore	100%	100%
Spargo Enterprises Pte Ltd	Singapore	100%	100%
Valletort Enterprises Pte Ltd	Singapore	100%	100%

8. Loan to fellow subsidiary

	2018	2017
	USD	USD
Loan to Associated Biscuits International Limited	**1,904,865**	1,706,235

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

	2018	2017
	USD	USD
Associated Biscuits International Limited	**741,670**	704,680
Bannatyne Enterprises Pte Ltd	**17,089**	16,072
Dowbiggin Enterprises Pte Ltd	**17,225**	16,201
Nacupa Enterprises Pte Ltd	**17,036**	16,023
Spargo Enterprises Pte Ltd	**17,054**	16,039
Valletort Enterprises Pte Ltd	**27,125**	25,512
	837,199	794,527

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

10. Amounts due from subsidiaries

	2018	2017
	USD	USD
ABI Holdings Limited	**3,503**	3,138
Britannia Brands Limited	**1,340,616**	1,200,824
	1,344,119	1,203,962

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

11. Loan to related party

	2018	2017
	USD	USD
Loan to Baymanco Investments Limited		
Opening balance	**39,030,000**	-
Addition	**10,000**	39,030,000
Closing balance	**39,040,000**	39,030,000

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

12. Cash and cash equivalents

	2018	2017
	USD	USD
Cash in hand	**200**	200
Cash at bank	**1,321,831**	1,701,490
	1,322,031	1,701,690

13. Share capital

	2018	2017
	USD	USD
Issued and fully paid		
2 Ordinary shares of USD 100 each	**200**	200

There were no movements in the issued share capital of the Company in either the 2018 or 2017 reporting periods. The Company has one class of ordinary shares which carry no right to fixed income.

13. Share capital (Continued)

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

14. Loans from related parties

	2018	2017
	USD	USD
Loan from Island Horti-Tech Holdings Pte Ltd	**1,315,148**	1,315,148
Loan from Naira Holdings Limited	**52,212,619**	51,323,853
	53,527,767	52,639,001

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

	2018	2017
	USD	USD
Loan from Leila Lands Sdn. Bhd.	**1,585,861**	1,471,463

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

16. Loans from third parties

	2018	2017
	USD	USD
Loan from Ben Nevis Investments Limited	-	1,226,000
Loan from Newpoint Enterprises Ltd	-	2,049,650
	-	3,275,650

The loans from third parties were settled during the year and were unsecured, bearing interest at LIBOR plus 0.25%.

17. Amount due to fellow subsidiaries

	2018	2017
	USD	USD
Bannatyne Enterprises Pte Ltd	**2,109,941**	1,973,034
Dowbiggin Enterprises Pte Ltd	**1,338,076**	1,301,884
Nacupa Enterprises Pte Ltd	**2,060,502**	1,952,721
Spargo Enterprises Pte Ltd	**2,325,677**	2,188,676
Valletort Enterprises Pte Ltd	**2,150,406**	2,017,375
	9,984,602	9,433,690

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

18. Interest-bearing loans and borrowings

	2018	2017
	USD	USD
Current		
Bank loan	**15,000,000**	12,500,000
Interest payable	**29,211**	101,763
	15,029,211	12,601,763
Non -current		
Bank loan	**55,250,000**	72,750,000
Total	**70,279,211**	85,351,763

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 **USD15,000,000** 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

	2018	2017
	USD	USD
Accruals	**4,500**	4,500
Interest payable to third parties	**-**	183,111
	4,500	187,611

20. Amount due to related parties

	2018	2017
	USD	USD
Island Horti-Tech Holdings Pte Ltd	**89,594**	50,055
Naira Holdings Limited	**686**	686
	90,280	50,741

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

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.

	Carrying Amount		Fair Value			
	Loans and receivables	Other financial liabilities	Level 1	Level 2	Level 3	Total
2018	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value						
Cash and cash equivalents	1,322,031	-	-	-	-	-
Loans and other receivables	43,126,183	-	-	-	-	-
	44,448,214	-	-	-	-	-
Financial liabilities not measured at fair value						
Loans and other payables - Interest bearing	-	71,594,359	-	71,286,821	-	71,286,821
Loans and other payables - Non interest bearing	-	63,873,362	-	-	-	-
Accruals	-	4,500	-	-	-	-
	-	135,472,221	-	71,286,821	-	71,286,821

LEILA LANDS LTD

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

21. Financial instruments (continued)

(a) Fair values and risk management (continued)

(i) Accounting classifications and fair values (continued)

2017	Carrying Amount Loans and receivables	 Other financial liabilities	Fair Value Level 1	 Level 2	 Level 3	 Total
	USD	USD	USD	USD	USD	USD
Financial assets not measured at fair value						
Cash and cash equivalents	1,701,690	-	-	-	-	-
Loans and other receivables	42,734,724	-	-	-	-	-
	44,436,414	-	-	-	-	-
Financial liabilities not measured at fair value						
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	-	-	-	-
	-	152,409,919	-	89,893,415	-	89,893,415

(b) 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.

21. Financial instruments (continued)

(b) 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, 2018

21. Financial instruments (Continued)

(b) *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:

	Financial assets 2018	**Financial liabilities 2018**	Financial assets 2017	Financial liabilities 2017
	USD	**USD**	USD	USD
Great Britain Pound	**3,581,247**	**7,230,793**	3,207,812	6,476,800
United States Dollar	**40,732,031**	**126,590,966**	41,101,690	144,462,279
Singapore Dollar	**134,936**	**951,466**	126,912	860,673
Malaysian Ringgit	**-**	**698,998**	-	610,167
	44,448,214	**135,472,223**	44,436,414	152,409,919

	Change in USD rate	**2018 Effect on Profit**	**2018 Effect on Equity**	2017 Effect on Profit	2017 Effect on Equity
		USD	**USD**	USD	USD
Great British Pound	**± 5%**	**182,477**	**182,477**	163,450	163,450
		(182,477)	**(182,477)**	(163,450)	(163,450)
Singapore Dollar	**± 5%**	**38,882**	**38,882**	34,941	34,941
		(42,975)	**(42,975)**	(38,619)	(38,619)
Malaysian Ringgit	**± 5%**	**33,286**	**33,286**	29,056	29,056
		(36,789)	**(36,789)**	(32,114)	(32,114)

21. Financial instruments (Continued)

(b) Financial risk management (Continued)

Market risk (Continued)

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.

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

Variable rate instrument	**Carrying amount 2018 USD**	Carrying amount 2017 USD
Financial assets	**-**	-
Financial liabilities	**71,565,148**	89,840,798
	71,565,148	89,840,798

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.

LEILA LANDS LTD

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

21. Financial instruments (Continued)

(b) Financial risk management (Continued)

Market risk (Continued)

	Increase / (decrease) in basis points	Effect on Profit before Tax
2018		
United States Dollar	±45	**(322,043)** **322,043**
2017		
United States Dollar	±45	(404,284) 404,284

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.

	2018	2017
	USD	USD
Loan to fellow subsidiary	**1,904,865**	1,706,235
Amounts due from fellow subsidiaries	**837,199**	794,527
Amounts due from subsidiaries	**1,344,119**	1,203,962
Loan to related party	**39,040,000**	39,030,000
Cash at bank	**1,322,031**	1,701,690
	44,448,214	44,436,414

LEILA LANDS LTD

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

21. Financial instruments (Continued)

(b) *Financial risk management (Continued)*

Credit risk (continued)

The financial assets exclude prepayment of **USD 619,467** (2017:831,135).

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.

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.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2018 based on contractual undiscounted payments:

Year ended 31 March 2018	**< 1 year USD**	**> 1 year USD**	**Total USD**
Loans from related parties	-	**53,527,767**	**53,527,767**
Loans from holding company	-	**1,585,861**	**1,585,861**
Amount due to fellow subsidiaries	-	**9,984,602**	**9,984,602**
Interest-bearing loans and borrowings	**15,029,211**	**55,250,000**	**70,279,211**
Amount due to related parties	**90,280**	-	**90,280**
Other payables	**4,500**	-	**4,500**
	15,123,991	**120,348,230**	**135,472,221**

LEILA LANDS LTD

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

21. Financial instruments (Continued)

(b) Financial risk management (Continued)

Liquidity risk (continued)

Year ended 31 March 2017	< 1 year USD	> 1 year USD	Total USD
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
	12,840,115	139,569,804	152,409,919

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.

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.

22. Capital risk management (continued)

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

	2018	2017
	USD	USD
Loans from related parties	**53,527,767**	52,639,001
Loans from holding company	**1,585,861**	1,471,463
Loan from third parties	**-**	3,275,650
Amount due to fellow subsidiaries	**9,984,602**	9,433,690
Interest-bearing loans and borrowings	**70,279,211**	85,351,763
Less cash and cash equivalents	**(1,322,031)**	(1,701,690)
Net debt	**134,055,410**	150,469,877
Share capital	**200**	200
Retained earnings	**120,135,672**	103,397,842
	120,135,872	103,398,042
Capital and net debt	**254,191,282**	253,867,919
Gearing ratio	**52.7%**	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.

LEILA LANDS LTD

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

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:

Nature of Relationship	Nature of Transaction	Value of transaction for the year ended 31 March 2018 USD	Value of transaction for the year ended 31 March 2017 USD	Debit/ Credit) at 31 March 2018 USD	Debit / (Credit) at 31 March 2017 USD
Subsidiaries	Dividend income	**20,500,000**	17,500,000	-	-
	Amount receivable	**140,157**	(177,475)	**1,344,119**	1,203,962
Holding company	Loan payable	**(114,398)**	6,376,126	**(1,585,861)**	(1,471,463)
Ultimate holding company	Guarantee commission	**(165,750)**	(165,750)	-	-
Fellow subsidiaries	Loan receivable	**198,630**	(251,517)	**1,904,865**	1,706,235
	Amount receivable	**42,672**	(47,912)	**837,199**	794,527
	Amount payable	**(550,912)**	697,597	**(9,984,602)**	(9,433,690)
Entities under common control	Loan payable	**(888,766)**	250,576	**(53,527,767)**	(52,639,001)
	Loan receivable	**10,000**	39,030,000	**39,040,000**	39,030,000
	Amount payable	**39,539**	28,015	**(90,280)**	(50,741)
Management company	Professional Fees	**(9,985)**	(11,785)	-	-
	Directors fees	-	(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.

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 2018.