

**Naira Holdings Limited**

(Company No. 104449)  
(Incorporated in British Virgin Islands)

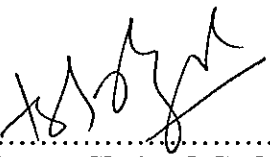
**Financial statements for the  
year ended 31 March 2017**


**Naira Holdings Limited**  
(Company No. 104449)  
(Incorporated in British Virgin Islands)

**Statement by Directors**

In the opinion of the Directors, the financial statements set out on pages 2 to 25 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2017 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

  
.....  
**Jayant Shripad Gadgil**  
Director

  
.....  
**Ness Wadia**  
Director

Date: 19 MAY 2017

**Naira Holdings Limited**  
 (Company No. 104449)  
 (Incorporated in British Virgin Islands)

**Statement of financial position**  
**As at 31 March 2017**

	Note	2017 USD	2016 USD
<b>Assets</b>			
Plant and equipment	3	169	980
Other investments	4	4,685,776	13,040,197
Due from related companies	5	<u>63,934,860</u>	<u>51,575,436</u>
<b>Total non-current assets</b>		<u>68,620,805</u>	<u>64,616,613</u>
Other receivables		3,787	150,258
Cash and cash equivalents	6	<u>5,322,896</u>	<u>2,160,775</u>
<b>Total current assets</b>		<u>5,326,683</u>	<u>2,311,033</u>
<b>Total assets</b>		<u><u>73,947,488</u></u>	<u><u>66,927,646</u></u>
<b>Equity</b>			
Share capital		1,000,000	1,000,000
Reserves		<u>44,695,256</u>	<u>43,038,233</u>
<b>Total equity</b>	7	<u>45,695,256</u>	<u>44,038,233</u>
<b>Liabilities</b>			
Due to holding company/ <b>Total non-current liabilities</b>	5	<u>18,205,102</u>	<u>12,540,410</u>
Due to related companies	5	7,953,305	7,962,525
Other payables and accrued expenses	8	<u>2,093,825</u>	<u>2,386,478</u>
<b>Total current liabilities</b>		<u>10,047,130</u>	<u>10,349,003</u>
<b>Total liabilities</b>		<u>28,252,232</u>	<u>22,889,413</u>
<b>Total equity and liabilities</b>		<u><u>73,947,488</u></u>	<u><u>66,927,646</u></u>

The accompanying notes form an integral part of the financial statements.

**Naira Holdings Limited**  
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**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2017**

	Note	2017 USD	2016 USD
<b>Revenue</b>			
Realised net (loss)/gain on sale of available-for-sale investments		(1,410,043)	267,681
Interest and option income		321,760	552,577
Dividend income		54,500	65,351
<b>Gross (loss)/profit</b>		<u>(1,033,783)</u>	<u>885,609</u>
Administrative expenses		(511,973)	(503,083)
Other expenses		<u>(392,498)</u>	<u>(283,392)</u>
<b>Results from operating activities</b>		(1,938,254)	99,134
Finance costs		<u>(291,252)</u>	<u>(170,883)</u>
<b>Loss for the year</b>	9	(2,229,506)	(71,749)
<b>Other comprehensive income, net of tax</b>			
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Fair value of available-for-sale financial assets		<u>3,886,529</u>	<u>(1,296,794)</u>
<b>Total comprehensive income/(expense) for the year</b>		<u><u>1,657,023</u></u>	<u><u>(1,368,543)</u></u>

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**Naira Holdings Limited**  
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**Statement of changes in equity**  
**For the year ended 31 March 2017**

	Non-distributable Share capital USD	Fair value reserve USD	Distributable Retained earnings USD	Total equity USD
<b>At 1 April 2015</b>	1,000,000	(1,557,530)	45,964,306	45,406,776
Fair value of available-for-sale financial assets/ Total other comprehensive expense for the year	--	(1,296,794)	--	(1,296,794)
Loss for the year	--	--	(71,749)	(71,749)
<b>Total comprehensive expense for the year</b>	--	(1,296,794)	(71,749)	(1,368,543)
<b>At 31 March 2016/1 April 2016</b>	1,000,000	(2,854,324)	45,892,557	44,038,233
Fair value of available-for-sale financial assets/ Total other comprehensive income for the year	--	3,886,529	--	3,886,529
Loss for the year	--	--	(2,229,506)	(2,229,506)
<b>Total comprehensive income/(expense) for the year</b>	--	3,886,529	(2,229,506)	1,657,023
<b>At 31 March 2017</b>	<u>1,000,000</u>	<u>1,032,205</u>	<u>43,663,051</u>	<u>45,695,256</u>

The accompanying notes form an integral part of the financial statements.

**Naira Holdings Limited**  
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**Statement of cash flows**  
**For the year ended 31 March 2017**

	Note	2017 USD	2016 USD
<b>Cash flows from operating activities</b>			
Loss for the year		(2,229,506)	(71,749)
Adjustments for:-			
Depreciation		811	1,595
Finance costs		291,252	170,883
Impairment loss on other receivables		--	45,240
Dividend income		(54,500)	(65,351)
Finance income		(321,760)	(552,577)
Unrealised gain on foreign exchange		(50,606)	(204,318)
<b>Operating loss before changes in working capital</b>		<b>(2,364,309)</b>	<b>(676,277)</b>
Changes in other receivables		146,471	(53,621)
Changes in other investment, including derivatives		12,240,714	(2,081,212)
Changes in other payables and accrued expenses		(292,653)	(166,125)
<b>Cash generated from/(used in) operations</b>		<b>9,730,223</b>	<b>(2,977,235)</b>
Interest paid		(291,252)	(170,883)
<b>Net cash from/(used in) operating activities</b>		<b>9,438,971</b>	<b>(3,148,118)</b>
<b>Cash flows from investing activities</b>			
Interest received		321,760	552,577
Dividend received		54,500	65,351
Acquisition of plant and equipment		--	(337)
<b>Net cash from investing activities</b>		<b>376,260</b>	<b>617,591</b>
<b>Cash flows from financing activities</b>			
Due to holding company		5,664,692	(2,902,454)
Due from/(to) related companies		(12,276,589)	6,151,991
<b>Net cash (used in)/from financing activities</b>		<b>(6,611,897)</b>	<b>3,249,537</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,203,334</b>	<b>719,010</b>
Effect of foreign exchange rate changes		(41,213)	42,379
<b>Cash and cash equivalents at 1 April</b>		<b>2,160,775</b>	<b>1,399,386</b>
<b>Cash and cash equivalents at 31 March</b>	6	<b>5,322,896</b>	<b>2,160,775</b>

The accompanying notes form an integral part of the financial statements.

# Naira Holdings Limited

(Company No. 104449)

(Incorporated in British Virgin Islands)

## Notes to the financial statements

Naira Holdings Limited is a limited liability company, incorporated and domiciled in British Virgin Islands. The address of the registered office of the Company is as follows:

### Registered office

Tropic Isle Building

P.O. Box 438

Road Town

Tortola

British Virgin Islands

The principal activity of the Company is investment holding.

The holding and ultimate holding companies are Leila Lands Sdn. Berhad, a company incorporated in Malaysia and The Bombay Burmah Trading Corporation Limited, a company incorporated in the Republic of India respectively.

These financial statements were authorised for issue by the Board of Directors on 19 MAY 2017.

## 1. Basis of preparation

### (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

*MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017*

- Amendments to MFRS 12, *Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

**(a) Statement of compliance (continued)*****MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*
- Amendments to MFRS 4, *Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)*
- Amendments to MFRS 140, *Investment Property – Transfers of Investment Property*

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019***

- MFRS 16, *Leases*

***MFRSs, Interpretations and amendments effective from a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned standards, amendments and interpretations in the respective financial year when the above standards, amendments and interpretations become effective.

The initial application of these standards, amendments and interpretations are not expected to have any material financial impacts to the current and prior periods financial statements of the Company upon their first adoption except as mentioned below:

**(i) MFRS 15, *Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.



**(a) Statement of compliance (continued)****(ii) MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 9.

**(iii) MFRS 16, *Leases***

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 16.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis.

**(c) Functional and presentation currency**

These financial statements are presented in US Dollar (“USD”), which is the Company’s functional currency. All financial information is presented in USD, unless otherwise stated.

**(d) Use of estimates and judgements**

The preparation of the financial statements in conformity with MFRSs 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 these 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.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 - allowance for diminution in value for available-for-sale investments

## 2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

### (a) Foreign currency

#### Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

### (b) Financial instruments

#### (i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

#### (ii) Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

##### *Financial assets*

##### (a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

**(b) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)***Financial assets (continued)***(a) Financial assets at fair value through profit or loss (continued)**

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

**(b) Loans and receivables**

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

**(c) Available-for-sale financial assets**

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(e)(i)).

*Financial liabilities*

All financial liabilities are subsequently measured at amortised cost.

**(iii) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

**(b) Financial instruments (continued)****(iii) Financial guarantee contracts (continued)**

Fair value arising from financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual year or, when there is no specified contractual year, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

**(iv) Regular way purchase or sale of financial assets**

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

- (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
- (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

**(v) Derecognition**

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**(c) Plant and equipment****(i) Recognition and measurement**

Items of plant and equipment are measured at cost less any accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of plant and equipment.

**(c) Plant and equipment (continued)****(i) Recognition and measurement (continued)**

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

**(ii) Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

**(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Computer software	3 years
Furniture and fittings	1.5 - 3 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

**(d) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value. For the purpose of statement of the cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

**(e) Impairment****(i) Financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

**(ii) Other assets**

The carrying amounts of other assets are reviewed at the end of each reporting year to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of 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 or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are 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 or cash-generating unit.

**(e) Impairment (continued)****(ii) Other assets (continued)**

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

**(f) Revenue and other income****(i) Dividend income**

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

**(ii) Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

**(iii) Sale of available-for-sale investments**

Gain on sale of available-for-sale investments is recognised when the significant risks and rewards of ownership of the asset have passed to the buyer.

**(g) Borrowing costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

**(g) Borrowing costs (continued)**

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**(h) Employee benefits****(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(ii) State plans**

The Company's contribution to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(i) Fair value measurement**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.



Company No. 104449

### 3. Plant and equipment

	Computer software USD	Furniture and fittings USD	Total USD
<b>At cost</b>			
At 1 April 2015	13,822	11,475	25,297
Additions	--	337	337
At 31 March 2016	<u>13,822</u>	<u>11,812</u>	<u>25,634</u>
At 1 April 2016/31 March 2017	<u>13,822</u>	<u>11,812</u>	<u>25,634</u>
<b>Accumulated depreciation</b>			
At 1 April 2015	11,584	11,475	23,059
Depreciation charge	1,539	56	1,595
At 31 March 2016/1 April 2016	<u>13,123</u>	<u>11,531</u>	<u>24,654</u>
Depreciation charge	699	112	811
At 31 March 2017	<u>13,822</u>	<u>11,643</u>	<u>25,465</u>
<b>Carrying amounts</b>			
At 1 April 2015	<u>2,238</u>	--	<u>2,238</u>
At 31 March 2016/1 April 2016	<u>699</u>	<u>281</u>	<u>980</u>
At 31 March 2017	<u>--</u>	<u>169</u>	<u>169</u>

### 4. Other investments

	Other investments quoted in overseas USD	Bonds quoted in overseas USD	Total USD
<b>2017</b>			
Available-for-sale financial assets	<u>4,685,776</u>	--	<u>4,685,776</u>
Market value of quoted investments	<u>4,685,776</u>	--	<u>4,685,776</u>
<b>2016</b>			
Available-for-sale financial assets	<u>7,292,633</u>	<u>5,747,564</u>	<u>13,040,197</u>
Market value of quoted investments	<u>7,292,633</u>	<u>5,747,564</u>	<u>13,040,197</u>

### 5. Due from/(to) related companies/holding company

The non-current amount due from related companies are non-trade in nature, unsecured, interest free and have no fixed terms of repayment and are not expected to be repaid within the next twelve months.

The current amount due to related companies include loan amounts of USD7,274,022 (2016: USD7,274,022) which bear interest at 6 months LIBOR plus 1% (2016: 1% per annum), are unsecured and repayable on demand. The other amounts due to related companies are non-trade related, interest free and repayable on demand.

## 5. Due from/(to) related companies/holding company (continued)

The amount due to the holding company include loan amounts of USD8,772,593 (2016: USD8,772,593) which bear interest at 3 months LIBOR plus 0.25% per annum (2016: 0.25% per annum), are unsecured and not payable in the next twelve months. The other amounts due to holding company are non-trade in nature, interest free and not payable in the next twelve months.

## 6. Cash and cash equivalents

	2017 USD	2016 USD
Cash at bank	40,424	29,345
Fixed deposits with licensed banks	100,000	100,000
Cash in brokerage accounts	5,182,472	2,031,430
	<u>5,322,896</u>	<u>2,160,775</u>

## 7. Capital and reserves

### Share capital

	2017 USD	2016 USD	Number of ordinary shares	
			2017	2016
Ordinary shares of USD1.00 each:				
Authorised	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

### Reserves

	2017 USD	2016 USD
<b>Distributable</b>		
Retained earnings	43,663,051	45,892,557
<b>Non-distributable</b>		
Fair value reserve	<u>1,032,205</u>	<u>(2,854,324)</u>
	<u>44,695,256</u>	<u>43,038,233</u>

### Fair value reserve

The fair value reserve comprise the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

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## 8. Other payables and accrued expenses

	2017 USD	2016 USD
Due to a third party	1,928,653	1,912,403
Accrued expenses	165,172	474,075
	<u>2,093,825</u>	<u>2,386,478</u>

The amount due to a third party comprised of a loan from the third party of USD2,195,153 (2016: USD2,195,153) net of amount due to the third party of USD266,500 (2016: USD282,750). The loan is subject to interest at 3 months Libor plus 0.25% per annum (2016: 0.25% per annum), unsecured and repayable on demand.

## 9. Loss for the year

	2017 USD	2016 USD
<b>Loss for the year is arrived at after charging/(crediting)</b>		
Audit fee	5,195	4,527
Depreciation	811	1,595
Impairment loss on other receivables	--	45,240
Personnel expenses (including key management personnel):		
- Contributions to state plans	15,660	14,700
- Wages, salaries and others	496,313	488,383
Rental of premises	29,818	29,759
Unrealised gain on foreign exchange	<u>(50,606)</u>	<u>(204,318)</u>

## 10. Taxation

There is no tax payable for the Company as the Company is incorporated in an offshore financial centre which does not levy income tax on offshore profits.

## 11. Financial instruments

### 11.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R");
- (b) Available-for-sale financial assets ("AFS"); and
- (c) Other financial liabilities measured at amortised cost ("FL").

2017	Carrying amount USD	L&R USD	AFS USD
<b>Financial assets</b>			
Other investments	4,685,776	--	4,685,776
Due from related companies	63,934,860	63,934,860	--
Other receivables	3,787	3,787	--
Cash and cash equivalents	5,322,896	5,322,896	--
	<u>73,947,319</u>	<u>69,261,543</u>	<u>4,685,776</u>

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**11. Financial instruments (continued)****11.1 Categories of financial instruments (continued)**

		Carrying amount USD	FL USD
<b>2017</b>			
<b>Financial liabilities</b>			
Due to holding company		(18,205,102)	(18,205,102)
Due to related companies		(7,953,305)	(7,953,305)
Other payables and accrued expenses		<u>(2,093,825)</u>	<u>(2,093,825)</u>
		<u>(28,252,232)</u>	<u>(28,252,232)</u>
	Carrying amount USD	L&R USD	AFS USD
<b>2016</b>			
<b>Financial assets</b>			
Other investments	13,040,197	--	13,040,197
Due from related companies	51,575,436	51,575,436	--
Other receivables	150,258	150,258	--
Cash and cash equivalents	<u>2,160,775</u>	<u>2,160,775</u>	<u>--</u>
	<u>66,926,666</u>	<u>53,886,469</u>	<u>13,040,197</u>
		Carrying amount USD	FL USD
<b>Financial liabilities</b>			
Due to holding company		12,540,410	12,540,410
Due to related companies		7,962,525	7,962,525
Other payables and accrued expenses		<u>2,386,478</u>	<u>2,386,478</u>
		<u>22,889,413</u>	<u>22,889,413</u>

**11.2 Net gains and losses arising from financial instruments**

	2017 USD	2016 USD
Net gains/(losses) on:		
Available-for-sale financial assets:		
- recognised in other comprehensive income	(87,444)	(1,631,531)
- reclassified from equity to profit or loss	3,973,973	334,737
	3,886,529	(1,296,794)
Loan and receivables	50,606	159,078
Financial liabilities measured at amortised cost	<u>(291,252)</u>	<u>(170,883)</u>
	<u>3,645,883</u>	<u>(1,308,599)</u>

## 11. Financial instruments (continued)

### 11.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 11.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from advances to related companies.

#### **Inter-company balances**

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from related companies is represented by the carrying amounts in the statement of financial position.

##### *Impairment losses*

As at the end of the reporting period, there was no indication that the amount due from related companies are not recoverable. The Company does not specifically monitor the ageing of the due from related companies. Nevertheless, the balances are expected to be recoverable.

#### **Investments and other financial assets**

##### *Risk management objectives, policies and processes for managing the risk*

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Company. Transactions involving derivative financial instruments are with approved financial institutions.

##### *Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the Company has invested in overseas securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. The Company does not have overdue investments that have not been impaired.

The investments and other financial assets are unsecured.

## 11. Financial instruments (continued)

### 11.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables.

The Company maintains a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

### 11.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's financial position or cash flows.

#### Currency risk

The Company is exposed to foreign currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily Singapore Dollars ("SGD"), Euro Dollar ("EUR"), Great Britain Pound ("GBP") and Ringgit Malaysia ("RM").

#### *Exposure to foreign currency risk*

The Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period was:

	SGD USD	Denominated in		
		EUR USD	GBP USD	RM USD
<b>2017</b>				
Due from a related company	810,617	--	1,524,825	--
Due from holding company	18,788	--	--	--
Due to holding company	--	--	(1,129,500)	(1,473,029)
Due to related companies	(86,641)	--	(69,421)	(23,221)
Cash and cash equivalents	677,035	15,355	275	--
	<u>1,419,799</u>	<u>15,355</u>	<u>326,179</u>	<u>(1,496,250)</u>
<b>2016</b>				
Due from a related company	836,418	--	1,749,600	--
Due from holding company	24,789	--	--	--
Due to holding company	--	--	(1,296,000)	(1,647,838)
Due to related companies	(94,685)	--	(79,655)	(14,163)
Cash and cash equivalents	1,781,621	16,296	339	--
	<u>2,548,143</u>	<u>16,296</u>	<u>374,284</u>	<u>(1,662,001)</u>

## 11. Financial instruments (continued)

### 11.6 Market risk (continued)

#### Currency risk (continued)

##### *Currency risk sensitivity analysis*

A 10% (2016: 10%) strengthening of the US Dollar against the following currencies at the end of the reporting period would have increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2017 USD	2016 USD
SGD	(141,980)	(254,814)
EUR	(1,536)	(1,630)
GBP	(32,618)	(37,428)
RM	149,625	166,200

A 10% (2016: 10%) weakening of the US Dollar against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

#### Interest rate risk

The Company's exposure to changes in interest rates primarily to the deposit with a licensed bank, amount due to related companies and other payables.

There is no formal hedging policy with respect of interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the exposure at an acceptable level.

##### *Exposure to interest rate risk*

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2017 USD	2016 USD
<b>Fixed rate instruments</b>		
Financial assets	100,000	100,000
<b>Floating rate instruments</b>		
Financial liabilities	18,241,768	18,241,768

## 11. Financial instruments (continued)

### 11.6 Market risk (continued)

#### Interest rate risk (continued)

##### *Interest rate risk sensitivity analysis*

##### *(a) Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting year would not affect profit or loss.

##### *(b) Cash flow sensitivity analysis for variable rate instruments*

A change of 100 basis points (“bp”) in interest rates at the end of the reporting period would have increased (decreased) profit or loss by approximately USD182,418 (2016: USD182,418). This analysis assumes that all other variables, in particular foreign currency rates remained constant.

### 11.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate their fair values due to the relatively short term nature of these financial instruments.

No disclosure of fair value is made for the non-current amount due from/(to) related companies and holding company, as it is not practicable to determine the fair value with sufficient reliability since the amount are non-interest bearing and have no fixed terms of repayment.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	<b>Fair value of financial instruments carried at fair value Level 1 USD</b>	<b>Total fair value USD</b>	<b>Carrying amount USD</b>
<b>2017</b>			
<b>Financial assets</b>			
Quoted other investments	4,685,776	4,685,776	4,685,776
<b>2016</b>			
<b>Financial assets</b>			
Quoted bonds	5,747,564	5,747,564	5,747,564
Quoted other investments	7,292,633	7,292,633	7,292,633
	13,040,197	13,040,197	13,040,197



## 11. Financial instruments (continued)

### 11.7 Fair value information (continued)

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

## 12. Capital management

The Company's capital is represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an ongoing basis.

There is no external capital requirement imposed on the Company.

## 13. Related parties

### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly and entity that provides key management personnel services to the Company. The key management personnel include all the Directors of the Company, and certain members of senior management of the Company.

The Company has related party relationship with its related companies and key management personnel.

### Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in the statement of financial position.

	2017 USD	2016 USD
<b>A. Immediate holding company</b>		
Interest expenses	98,301	60,541
Loan	6,000,000	--
Management fees	28,448	29,713
	<u>          </u>	<u>          </u>
<b>B. Related companies</b>		
Interest expenses	159,558	95,436
Rental expenses	29,818	29,759
	<u>          </u>	<u>          </u>

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### 13. Related parties (continued)

#### Significant related party transactions (continued)

	2017 USD	2016 USD
C. Key management personnel		
<i>Directors</i>		
Remuneration	<u>123,407</u>	<u>115,452</u>



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## **Independent Auditors' Report to the members of Naira Holdings Limited**

(Company No. 104449)  
(Incorporated in British Virgin Islands)

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

#### **Opinion**

We have audited the financial statements of Naira Holdings Limited, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 2 to 25.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia.

#### **Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence and Other Ethical Responsibilities**

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the 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 By-Laws and the IESBA Code.

Company No. 104449
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*Naira Holdings Limited*  
*Independent Auditors' Report for the*  
*Financial Year Ended 31 March 2017*

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

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company 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 of the Company 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 approved standards on auditing in Malaysia and International Standards on Auditing 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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 internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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*Naira Holdings Limited  
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- 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 ability of the Company 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 of the Company 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 of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

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 members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

Johor Bahru

Date: 19 MAY 2017