

LEILA LANDS LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

LEILA LANDS LTD

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FOR THE YEAR ENDED MARCH 31, 2019

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LEILA LANDS LTD**CORPORATE DATA**

		Date of Appointment	Date of Resignation
DIRECTORS:	Jayant Shripad Gadgil	June 16, 1998	-
	Rajiv Batra	June 14, 2012	-
	Sevin Chendriah	February 23, 2016	-
	Sahjahan Ally Nauthoo	March 15, 2017	May 7, 2018
	Savinilorna Payandi-Pillay	May 7, 2018	-
	Ramen		
	Rudran Poopalasingham	June 6, 2017	-
SECRETARY:	IQ EQ Corporate Services (Mauritius) Ltd <i>(Formerly known as SGG Corporate Services (Mauritius) Ltd)</i> Les Cascades Building 33, Edith Cavell Street 11324, Port Louis Republic of Mauritius		
REGISTERED OFFICE:	C/o IQ EQ Corporate Services (Mauritius) Ltd <i>(Formerly known as SGG Corporate Services (Mauritius) Ltd)</i> Les Cascades Building 33, Edith Cavell Street 11324, 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, 2019**

The directors present their commentary, together with the audited financial statements of LEILA LANDS LTD (the "Company") for the year ended March 31, 2019.

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 19,010,465** (2018: USD 16,737,830). 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, 2019.



IQ EQ Corporate Services (Mauritius) Ltd
(Formerly known as SGG Corporate Services (Mauritius) Ltd)
CORPORATE SECRETARY

Les Cascades Building
33, Edith Cavell Street
11324, Port-Louis
Republic of Mauritius

Date: 7 MAY 2019



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 KPMG Centre
 31, Cybercity
 Ebène
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 Telefax +230 406 9988
 BRN No. F07000189
 Website www.kpmg.mu

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF LEILA LANDS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Leila Lands Ltd (the Company), which comprise the statement of financial position as at 31 March 2019 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 40.

In our opinion, the financial statements of Leila Lands Ltd for the year ended 31 March 2019 have been prepared, in all material respects, in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) to the financial statements.

Basis for opinion

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

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. Our opinion is not modified in respect of this matter.



**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 and presentation of these financial statements in accordance with the requirements of the Mauritius Companies Act applicable to a company holding a Category 1 Global Business Licence, as described in note 2(a) to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.



**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.



**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

Date: **07 May 2019**

Wayne Pretorius

Wayne Pretorius
Licensed by FRC

LEILA LANDS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2019

	Note	2019 USD	2018 USD
Income			
Dividend income		22,100,000	20,500,000
		<u>22,100,000</u>	<u>20,500,000</u>
Expenses			
Audit fees		5,500	5,000
Professional fees		723,583	541,652
Administrative expenses		1,280	2,055
Bank charges		5,951	6,303
Guarantee Commission		135,776	165,750
		<u>872,090</u>	<u>720,760</u>
Operating profit		21,227,910	19,779,240
Net finance costs	5	(2,217,445)	(3,041,410)
		<u>19,010,465</u>	<u>16,737,830</u>
Profit before tax		19,010,465	16,737,830
Tax expense	6	-	-
		<u>19,010,465</u>	<u>16,737,830</u>
Profit for the year		19,010,465	16,737,830
Other comprehensive income, net of tax			
Total comprehensive income for the year		<u>19,010,465</u>	<u>16,737,830</u>

The notes on pages 12 to 40 form an integral part of these financial statements.

LEILA LANDS LTD

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Note	2019 USD	2018 USD
Assets			
Investment in subsidiaries	7	210,540,412	210,540,412
Loan to fellow subsidiary	8	1,769,454	1,904,865
Amounts due from fellow subsidiaries	9	809,276	837,199
Amounts due from subsidiaries	10	1,248,570	1,344,119
Loan to related party	11	39,040,000	39,040,000
Non-current assets		253,407,712	253,666,595
Prepayment		226,319	619,467
Cash and cash equivalents	12	4,081,942	1,322,031
Current assets		4,308,261	1,941,498
Total assets		257,715,973	255,608,093
Equity			
Share capital	13	200	200
Retained earnings		139,146,137	120,135,672
Total equity		139,146,337	120,135,872
Liabilities			
Loans from related parties	14	51,979,261	53,527,767
Loan from holding company	15	1,531,024	1,585,861
Amount due to fellow subsidiaries	16	9,609,031	9,984,602
Interest-bearing loans and borrowings	17	36,750,000	55,250,000
Non-current liabilities		99,869,316	120,348,230
Other payables	18	5,000	4,500
Amount due to related parties	19	135,612	90,280
Amount due to ultimate holding company	20	33,473	-
Interest-bearing loans and borrowings	17	18,526,235	15,029,211
Current liabilities		18,700,320	15,123,991
Total liabilities		118,569,636	135,472,221
Total Equity and Liabilities		257,715,973	255,608,093

7 MAY 2019

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



Director



Director

The notes on pages 12 to 40 form an integral part of these financial statements.

LEILA LANDS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2019

	<u>Share capital</u> USD	<u>Retained earnings</u> USD	<u>Total equity</u> USD
Balance at 01 April 2017	200	103,397,842	103,398,042
<i>Total comprehensive income for the year</i>			
Profit for the year	-	16,737,830	16,737,830
Balance at 31 March 2018	<u>200</u>	<u>120,135,672</u>	<u>120,135,872</u>
Balance at 01 April 2018	200	120,135,672	120,135,872
<i>Total comprehensive income for the year</i>			
Profit for the year	-	19,010,465	19,010,465
Balance at 31 March 2019	<u>200</u>	<u>139,146,137</u>	<u>139,146,337</u>

The notes on pages 12 to 40 form an integral part of these financial statements.

LEILA LANDS LTD**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED MARCH 31, 2019

	Note	2019 USD	2018 USD
Cash flows from operating activities			
Profit before tax		19,010,465	16,737,830
Adjustments for:			
Interest expense		2,540,184	2,524,587
Dividend Income		(22,100,000)	(20,500,000)
Exchange difference on translation		(322,739)	516,823
		<u>(872,090)</u>	<u>(720,760)</u>
Changes in:			
Prepayments		393,148	211,668
Other payables		500	(183,111)
		<u>(478,442)</u>	<u>(692,203)</u>
Cash used in operating activities			
Interest paid		(2,543,160)	(2,597,139)
		<u>(3,021,602)</u>	<u>(3,289,342)</u>
Cash flows from investing activity			
Dividend received		22,100,000	20,500,000
		<u>22,100,000</u>	<u>20,500,000</u>
Cash flows from financing activities			
Repayment of loan from third parties		-	(3,275,650)
Loan granted to related party		-	(10,000)
Loan from and amount due to related parties		(1,351,960)	695,333
Amount due to ultimate holding company		33,473	-
Loan repaid during the year		(15,000,000)	(15,000,000)
		<u>(16,318,487)</u>	<u>(17,590,317)</u>
Net cash used in financing activities			
		2,759,911	(379,659)
Net increase/(decrease) in cash and cash equivalents			
Net foreign exchange difference			
Cash and cash equivalents at 01 April		1,322,031	1,701,690
Cash and cash equivalents at 31 March	12	<u>4,081,942</u>	<u>1,322,031</u>

The notes on pages 12 to 40 form an integral part of these financial statements.

LEILA LANDS LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**

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.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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 policy and disclosures

Financial assets and financial liabilities

i. Classification and subsequent measurement

Classification of financial assets - Policy applicable from 1 January 2018

On initial recognition, the Company classifies financial assets as measured at amortised cost or at fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

The Company has determined that it has two business models:

- Held-to-collect business model: this includes cash and cash equivalents, loan to fellow subsidiary, amounts due from fellow subsidiaries, amounts due from subsidiaries and loan to related party. These financial assets are held to collect contractual cash flow.
- Other business model: this includes equity investments. These financial assets are managed and their performance is evaluated, on a fair value basis.

ii. Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. Basis of preparation (Continued)

(e) Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

ii. Assessment whether contractual cash flows are SPPI (continued)

- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company was to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

iii. Classification of financial assets - Policy applicable before 1 January 2018

The Company classified financial assets into the following categories.

- Loans and receivables

These assets were recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprised of cash and cash equivalents, loan to fellow subsidiary, amounts due from fellow subsidiaries, amounts due from subsidiaries and loan to related party.

iv. Subsequent measurement

Policy applicable as from 1 January 2018

Financial assets at amortised cost (2017: loans and receivables)

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net foreign exchange loss' and impairment is recognised in 'impairment losses on financial instruments' in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities – classification and subsequent measurement

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) 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 liability when its contractual obligations are discharged, cancelled or expired.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. Basis of preparation (Continued)

(e) Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

iv. Subsequent measurement

Financial liabilities – classification and subsequent measurement (continued)

The Company classifies non-derivative financial liabilities into the other financial liabilities' category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. The financial liabilities include loan from related party and other payables.

v. Fair value measurement

'Fair value' is 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Company recognises transfers between levels of the fair value hierarchy as at the end of the reporting year during which the change has occurred.

vi. Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, and for financial assets, adjusted for any loss allowance.

vii. Impairment

Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Financial assets that are determined to have low credit risk at the reporting date; and
- Other financial assets and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. Basis of preparation (Continued)

(e) Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

vii. Impairment (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if its repayment terms has lapsed.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any held).

The Company considers a financial asset to have a low risk when the amount receivable is with related parties.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. Basis of preparation (Continued)

(e) Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

vii. Impairment (continued)

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

viii. Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Policy applicable before 1 January 2018

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.

For an investment in equity security, objective evidence of impairment includes a significant and prolonged decline in its fair value below cost. The Company considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortised cost

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

2. Basis of preparation (Continued)

(e) Changes in accounting policy and disclosures (continued)

Financial assets and financial liabilities (continued)

viii. *Write-off (continued)*

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.

ix. *Derecognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or has expired.

3. Significant accounting policies

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. Significant accounting policies (Continued)

(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) 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.

(d) Expenses

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

(e) 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.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

3. Significant accounting policies (Continued)

(f) Revenue

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

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

(g) 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.

(h) 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.

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.

LEILA LANDS LTD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED MARCH 31, 2019

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

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.

(i) 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. (a) Standards and interpretations adopted in current year

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01 January 2018.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under IAS 39, impairment was recognised when losses were incurred. The Company did not previously report any incurred losses.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
4. (a) Standards and interpretations adopted in current year (Continued)
IFRS 9 Financial Instruments (continued)

The adoption of IFRS 9 had no material impact on the equity attributable to owners of the Company.

Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (“FVOCI”) and fair value through profit or loss (“FVTPL”).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The Company applied IFRS 9 using the cumulative effect method, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity. The reclassifications and the adjustments arising from the new IFRS 9 rules are therefore not reflected in the statement of financial position as at 31 December 2017 but are recognized in the opening statement of financial position on 1 January 2018. Therefore, there is no impact on opening balance.

Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company’s accounting policies related to financial liabilities.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company’s financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

Classification and measurement

	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying amount under IAS 39 USD’000	New carrying amount under IFRS 9 USD’000
Financial assets				
Loan to fellow subsidiary	Loans and receivables	Amortised cost	1,905	1,905
Amounts due from fellow subsidiaries	Loans and receivables	Amortised cost	837	837
Amounts due from subsidiaries	Loans and receivables	Amortised cost	1,344	1,344
Loan to related party	Loans and receivables	Amortised cost	39,040	39,040
Cash and cash equivalents	Loans and receivables	Amortised cost	1,322	1,322
Total Financial assets			<u>44,448</u>	<u>44,448</u>

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
4. (a) Standards and interpretations adopted in current year (Continued)
IFRS 9 Financial Instruments (continued)

Financial liabilities	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying amount under IAS 39 USD'000	New carrying amount under IFRS 9 USD'000
Loans from related parties	Amortised cost	Amortised cost	53,528	53,528
Loan from holding company	Amortised cost	Amortised cost	1,586	1,586
Amount due to fellow subsidiaries	Amortised cost	Amortised cost	9,985	9,985
Interest-bearing loans and borrowings	Amortised cost	Amortised cost	70,279	70,279
Other payables	Amortised cost	Amortised cost	4	4
Amount due to related parties	Amortised cost	Amortised cost	90	90
Total Financial liabilities			135,472	135,472

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018.

Financial assets	IAS 39 carrying amount at 31 December 2017 USD'000	Reclassification USD	Remeasurement USD	IFRS 9 carrying amount at 1 January 2018 USD'000
Amortised cost				
Loan to fellow subsidiary	1,905	-	-	1,905
Amounts due from fellow subsidiaries	837	-	-	837
Amounts due from subsidiaries	1,344	-	-	1,344
Loan to related party	39,040	-	-	39,040
Cash and cash equivalents	1,322	-	-	1,322
Total amortised cost	44,448	-	-	44,448

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

4. (a) Standards and interpretations adopted in current year (Continued)
Impairment of financial assets

The impairment requirements are based on an expected credit loss (“ECL”) model that replaces the IAS 39 incurred loss model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The Company has determined that the application of IFRS 9’s impairment requirements at 1 January 2018 results in no impairment allowance of cash and cash equivalents.

The Directors consider the probability of default to be close to zero for the amount receivable from subsidiaries, fellow subsidiaries and related party as the counterparties have a strong capacity to meet their contractual obligations in the near term following disposal of their investments. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the Company.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

Comparative periods have not generally been restated. The adoption of IFRS 9 had no material impact on the total equity as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9, but rather those of IAS 39. The Company has used the exemption not to restate comparative periods.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

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).

4. (b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Several standards and interpretations have been issued, but not yet effective, up to the date of issuance of the Company’s financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. None of the following new standards, amendments and interpretations to standards are expected to have a significant impact on the Company’s financial statements:

- IFRS 23 - Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019)
- Annual Improvements to IFRS Standards 2015-2017 Cycle (effective for accounting periods beginning on or after 01 January 2019)

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
5. Net finance costs

	<u>2019</u>	<u>2018</u>
	USD	USD
Interest on loans (other than those from related parties)	2,492,144	2,489,252
Interest on loans from related parties	48,040	35,335
Foreign exchange (gain)/loss	<u>(322,739)</u>	<u>516,823</u>
	<u>2,217,445</u>	<u>2,489,252</u>

6. Tax expense

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

Current tax charge

	<u>2019</u>	<u>2018</u>
	USD	USD
Charge for the year	<u>-</u>	<u>-</u>

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

	<u>2019</u>	<u>2018</u>
	USD	USD
Profit before tax	<u>19,010,465</u>	<u>16,737,830</u>
Tax effect at 15%	2,851,570	2,510,675
Underlying Tax	875,619	696,818
Foreign tax credit	<u>(3,727,189)</u>	<u>(3,207,493)</u>
	<u>-</u>	<u>-</u>

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

7. Investments in subsidiaries

(a) Cost

	<u>2019</u>	<u>2018</u>
	USD	USD
At 01 April and 31 March	<u>210,540,412</u>	<u>210,540,412</u>

(b) Details of investments are as follows:

<u>Name of investee company</u>	<u>Type and number of shares</u>	<u>Country of incorporation</u>	<u>Nominal value of investments</u>	<u>% Holding 2019</u>	<u>% Holding 2018</u>
			USD		
Britannia Brands Limited	Equity 4	United Kingdom	189,024,637	100%	100%
ABI Holdings Limited	Equity 4,000,002	United Kingdom	21,515,775	50%	50%

(c) The Company holds the remaining 50% (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:

	<u>Country of incorporation</u>	<u>Indirect holding 2019</u>	<u>Indirect holding 2018</u>
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%

LEILA LANDS LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019****8. Loan to fellow subsidiary**

	<u>2019</u>	<u>2018</u>
	USD	USD
Loan to Associated Biscuits International Limited	<u>1,769,454</u>	<u>1,904,865</u>

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

9. Amounts due from fellow subsidiaries

	<u>2019</u>	<u>2018</u>
	USD	USD
Associated Biscuits International Limited	716,793	741,670
Bannatyne Enterprises Pte Ltd	16,544	17,089
Dowbiggin Enterprises Pte Ltd	16,676	17,225
Nacupa Enterprises Pte Ltd	16,493	17,036
Spargo Enterprises Pte Ltd	16,510	17,054
Valletort Enterprises Pte Ltd	26,260	27,125
	<u>809,276</u>	<u>837,199</u>

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

	<u>2019</u>	<u>2018</u>
	USD	USD
ABI Holdings Limited	3,254	3,503
Britannia Brands Limited	1,245,316	1,340,616
	<u>1,248,570</u>	<u>1,344,119</u>

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

11. Loan to related party

	<u>2019</u>	<u>2018</u>
	USD	USD
Loan to Baymanco Investments Limited		
Opening balance	39,040,000	39,030,000
Addition	-	10,000
Closing balance	<u>39,040,000</u>	<u>39,040,000</u>

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
11. Loan to related party (continued)

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

12. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
	USD	USD
Cash in hand	200	200
Cash at bank	4,081,742	1,321,831
	<u>4,081,942</u>	<u>1,322,031</u>

13. Share capital

	<u>2019</u>	<u>2018</u>
	USD	USD
Issued and fully paid		
2 Ordinary shares of USD 100 each	200	200
	<u>200</u>	<u>200</u>

There were no movements in the issued share capital of the Company in either the 2019 or 2018 reporting periods. The Company has one class of ordinary shares which carry no right to fixed income.

The ordinary share shall confer on its holder:

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

14. Loans from related parties

	<u>2019</u>	<u>2018</u>
	USD	USD
Loan from Island Horti-Tech Holdings Pte Ltd	1,315,148	1,315,148
Loan from Naira Holdings Limited	50,664,113	52,212,619
	<u>51,979,261</u>	<u>53,527,767</u>

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
15. Loan from holding company

	<u>2019</u>	<u>2018</u>
	USD	USD
Loan from Leila Lands Sdn. Bhd.	1,531,024	1,585,861

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

16. Amount due to fellow subsidiaries

	<u>2019</u>	<u>2018</u>
	USD	USD
Bannatyne Enterprises Pte Ltd	2,016,608	2,109,941
Dowbiggin Enterprises Pte Ltd	1,313,403	1,338,076
Nacupa Enterprises Pte Ltd	1,987,025	2,060,502
Spargo Enterprises Pte Ltd	2,232,280	2,325,677
Valletort Enterprises Pte Ltd	2,059,715	2,150,406
	9,609,031	9,984,602

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

17. Interest-bearing loans and borrowings

	<u>2019</u>	<u>2018</u>
	USD	USD
Current		
Bank loan	18,500,000	15,000,000
Interest payable	26,235	29,211
	18,526,235	15,029,211
Non-current		
Bank loan	36,750,000	55,250,000
Total	55,276,235	70,279,211

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019
17. Interest-bearing loans and borrowings (continued)

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 ultimate holding company and 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.

18. Other payables

	<u>2019</u>	<u>2018</u>
	USD	USD
Accruals	5,000	4,500
	<u>5,000</u>	<u>4,500</u>

19. Amount due to related parties

	<u>2019</u>	<u>2018</u>
	USD	USD
Island Horti-Tech Holdings Pte Ltd	134,926	89,594
Naira Holdings Limited	686	686
	<u>135,612</u>	<u>90,280</u>

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

20. Amount due to ultimate holding company

	<u>2019</u>	<u>2018</u>
	USD	USD
The Bombay Burmah Trading Corporation Limited	<u>33,473</u>	<u>-</u>

The amount due to ultimate holding company is unsecured and has no fixed repayment terms.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

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.

2019	<u>Carrying Amount</u>		<u>Fair Value</u>			<u>Total</u> USD
	<u>Loans and</u> <u>receivables</u> USD	<u>Other</u> <u>financial</u> <u>liabilities</u> USD	<u>Level 1</u> USD	<u>Level 2</u> USD	<u>Level 3</u> USD	
Financial assets not measured at fair value						
Cash and cash equivalents	4,081,942	-	-	-	-	-
Loans and other receivables	<u>42,867,300</u>	<u>-</u>	<u>-</u>	<u>42,867,300</u>	<u>-</u>	<u>42,867,300</u>
	<u>46,949,242</u>	<u>-</u>	<u>-</u>	<u>42,867,300</u>	<u>-</u>	<u>42,867,300</u>
Financial liabilities not measured at fair value						
Loans and other payables - Interest bearing	-	56,591,383	-	56,417,491	-	56,417,491
Loans and other payables - Non interest bearing	-	61,973,253	-	61,973,253	-	61,973,253
Accruals	-	5,000	-	-	-	-
	<u>-</u>	<u>118,569,636</u>	<u>-</u>	<u>118,390,744</u>	<u>-</u>	<u>118,390,744</u>

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

21. Financial instruments (continued)

(b) Fair values and risk management (continued)

2018	<u>Carrying Amount</u>		<u>Fair Value</u>			<u>Total USD</u>
	<u>Loans and receivables USD</u>	<u>Other financial liabilities USD</u>	<u>Level 1 USD</u>	<u>Level 2 USD</u>	<u>Level 3 USD</u>	
Financial assets not measured at fair value						
Cash and cash equivalents	1,322,031	-	-	-	-	-
Loans and other receivables	43,126,183	-	-	43,126,183	-	43,126,183
	<u>44,448,214</u>	<u>-</u>	<u>-</u>	<u>43,126,183</u>	<u>-</u>	<u>43,126,183</u>
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	-	63,873,362	-	63,873,362
Accruals	-	4,500	-	-	-	-
	<u>-</u>	<u>135,472,221</u>	<u>-</u>	<u>135,160,183</u>	<u>-</u>	<u>135,160,183</u>

(c) Financial risk management

Overview

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

- Market risk
- Credit risk
- Liquidity risk

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

LEILA LANDS LTD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED MARCH 31, 2019

21. Financial instruments (continued)**(c) Financial risk management (continued)***Overview (continued)*

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

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

Market risk

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

Currency risk

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

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

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

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

21. Financial instruments (Continued)

(c) Financial risk management (Continued)

Market risk (Continued)

Currency risk (Continued)

Currency profile

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

	Financial assets 2019 USD	Financial liabilities 2019 USD	Financial assets 2018 USD	Financial liabilities 2018 USD
Great Britain Pound	3,326,667	6,716,777	3,581,247	7,230,792
United States Dollar	43,491,942	110,221,962	40,732,031	126,590,965
Singapore Dollar	130,632	969,306	134,936	951,466
Malaysian Ringgit	-	661,591	-	698,998
	<u>46,949,241</u>	<u>118,569,636</u>	<u>44,448,214</u>	<u>135,472,221</u>

	Change in USD rate	2019 Effect on Profit USD	2019 Effect on Equity USD	2018 Effect on Profit USD	2018 Effect on Equity USD
Great British Pound	± 5%	169,506 (169,506)	169,506 (169,506)	182,477 (182,477)	182,477 (182,477)
Singapore Dollar	± 5%	39,937 (44,141)	39,937 (44,141)	38,882 (42,975)	38,882 (42,975)
Malaysian Ringgit	± 5%	31,504 (34,821)	31,504 (34,821)	33,286 (36,789)	33,286 (36,789)

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.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**21. Financial instruments (Continued)***(c) Financial risk management (Continued)***Market risk (Continued)***Cash flow interest rate risk (continued)*

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

Variable rate instrument	Carrying amount 2019 USD	Carrying amount 2018 USD
Financial assets	-	-
Financial liabilities	56,565,148	71,565,148
	<u>56,565,148</u>	<u>71,565,148</u>

Sensitivity analysis for interest rate risk

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

	<u>Increase / (decrease) in basis points</u>	<u>Effect on Profit before Tax</u>
<u>2019</u>		
United States Dollar	±45	(254,543) 254,543
<u>2018</u>		
United States Dollar	±45	(322,043) 322,043

LEILA LANDS LTD

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FOR THE YEAR ENDED MARCH 31, 2019

21. Financial instruments (Continued)

(c) Financial risk management (Continued)

Credit risk

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

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

	2019 USD	2018 USD
Loan to fellow subsidiary	1,769,454	1,904,865
Amounts due from fellow subsidiaries	809,276	837,199
Amounts due from subsidiaries	1,248,570	1,344,119
Loan to related party	39,040,000	39,040,000
Cash at bank	4,081,942	1,322,031
	<u>46,949,242</u>	<u>44,448,214</u>

The financial assets exclude prepayment of USD 226,319 (2018:619,467).

The financial assets are neither past due nor impaired at the reporting date. The Company's exposure to credit risk is minimal as it banks with Barclays Bank Mauritius Limited and BNP Paribas, reputable financial institutions with credit rating as per Moody's rating for short term bank deposits of Baa1 and P-1. In view of reputed listed investments held by the counterparties, the Company does not expect any counterparty to fail to meet its obligations.

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

	2019 USD	2018 USD
Within one year	-	-
More than one year	42,867,300	43,126,183
	<u>42,867,300</u>	<u>43,126,183</u>

Liquidity risk

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019**21. Financial instruments (Continued)***(c) Financial risk management (Continued)***Liquidity risk (continued)**

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2019 based on contractual undiscounted payments:

Year ended 31 March 2019	< 1 year USD	> 1 year USD	Total USD
Loans from related parties	-	51,979,261	51,979,261
Loans from holding company	-	1,531,024	1,531,024
Amount due to fellow subsidiaries	-	9,609,031	9,609,031
Interest-bearing loans and borrowings	18,526,235	36,750,000	55,276,235
Amount due to related parties	135,612	-	135,612
Amount due to ultimate holding company	33,473	-	33,473
Other payables	5,000	-	5,000
	<u>18,700,320</u>	<u>99,869,316</u>	<u>118,569,636</u>
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
	<u>15,123,991</u>	<u>120,348,230</u>	<u>135,472,221</u>

22. Capital risk management

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

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2019

22. Capital risk management (continued)

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

The gearing ratio at the year-end was as follows:	<u>2019</u>	<u>2018</u>
	USD	USD
Loans from related parties	51,979,261	53,527,767
Loans from holding company	1,531,024	1,585,861
Amount due to fellow subsidiaries	9,609,031	9,984,602
Interest-bearing loans and borrowings	55,276,235	70,279,211
Less cash and cash equivalents	<u>(4,081,942)</u>	<u>(1,322,031)</u>
Net debt	<u>114,313,609</u>	<u>134,055,410</u>
Share capital	200	200
Retained earnings	<u>139,146,137</u>	<u>120,135,672</u>
	<u>139,146,337</u>	<u>120,135,872</u>
Capital and net debt	<u>253,459,946</u>	<u>254,191,282</u>
Gearing ratio	45.1%	52.7%

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

23. Related party transactions

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

23. Related party transactions (Continued)

Nature of Relationship	Nature of Transaction	Value of transaction for the year ended 31 March 2019 USD	Value of transaction for the year ended 31 March 2018 USD	Debit/ (Credit) at 31 March 2019 USD	Debit / (Credit) at 31 March 2018 USD
Subsidiaries	Dividend income	22,100,000	20,500,000	-	-
	Amount receivable	(95,549)	140,157	1,248,570	1,344,119
Holding company	Loan payable	54,837	(114,398)	(1,531,024)	(1,585,861)
Ultimate holding company	Guarantee commission	(135,776)	(165,750)	(33,473)	-
Fellow subsidiaries	Loan receivable	(135,411)	198,630	1,769,454	1,904,865
	Amount receivable	(27,923)	42,672	809,276	837,199
	Amount payable	375,571	(550,912)	(9,609,031)	(9,984,602)
Entities under common control	Loan payable	1,548,506	(888,766)	(51,979,261)	(53,527,767)
	Loan receivable	-	10,000	39,040,000	39,040,000
	Amount payable	45,332	39,539	(135,612)	(90,280)
Management company	Professional Fees	(8,935)	(8,485)	-	-
	Directors fees	(1,500)	(1,500)	-	-

24. Holding and ultimate holding companies

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

LEILA LANDS LTD**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED MARCH 31, 2019

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. Going concern

The Company recorded a net profit for the year ended 31 March 2019 of **USD 19,010,465** (2017: USD 16,737,830) and as of that date, its total current liabilities exceeded its total current assets by **USD 14,392,059** (2017: USD 13,182,493).

Included in the current liabilities, are interest-bearing loans and borrowings to the value of **USD 18,526,235** (2017: USD 15,029,211) which is secured by guarantees given by the ultimate holding company and the subsidiaries and a letter of support from ultimate holding company (refer to Note 17).

The company also received dividends from its investments which it used to repay the interest-bearing loans and borrowings subsequent to year end. The company expects to continue receiving dividends from its investments to repay the interest-bearing loans and borrowings.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

27. 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 2019.