

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

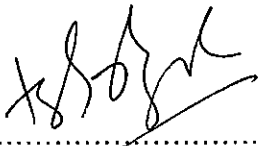
**Financial statements for the  
year ended 31 March 2019**

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

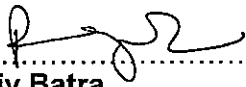
**Statement by Directors**

In the opinion of the Directors, the financial statements for the year ended 31 March 2019 as set out on pages 6 to 25, are prepared in accordance with the Company's accounting policies as disclosed in Note 2 to the financial statements.

Signed by:



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



.....  
**Rajiv Batra**  
Director

Date: **06 MAY 2019**

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

**Statement of financial position**  
**As at 31 March 2019**

	Note	2019 USD	2018 USD
<b>Assets</b>			
Plant and equipment	3	544	1,008
Other investments	4	<u>12,133,660</u>	<u>16,106,870</u>
<b>Total non-current assets</b>		<u>12,134,204</u>	<u>16,107,878</u>
Due from related companies	5	62,275,120	64,323,626
Other receivables		51,617	32,138
Cash and cash equivalents	6	<u>1,441,763</u>	<u>1,661,693</u>
<b>Total current assets</b>		<u>63,768,500</u>	<u>66,017,457</u>
<b>Total assets</b>		<u>75,902,704</u>	<u>82,125,335</u>
<b>Equity</b>			
Share capital	7	1,000,000	1,000,000
Reserves	7	<u>42,004,850</u>	<u>48,941,340</u>
<b>Total equity</b>		<u>43,004,850</u>	<u>49,941,340</u>
<b>Liabilities</b>			
Due to holding company	5	18,097,219	18,264,112
Due to related companies	5	14,794,635	13,433,883
Accrued expenses		<u>6,000</u>	<u>486,000</u>
<b>Total current liabilities</b>		<u>32,897,854</u>	<u>32,183,995</u>
<b>Total liabilities</b>		<u>32,897,854</u>	<u>32,183,995</u>
<b>Total equity and liabilities</b>		<u>75,902,704</u>	<u>82,125,335</u>

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

## Naira Holdings Limited

(Company No. 104449)

(Incorporated in British Virgin Islands)

### Statement of profit or loss and other comprehensive income For the year ended 31 March 2019

	Note	2019 USD	2018 USD
<b>Revenue</b>			
Interest income		182,679	162,153
Dividend income		69,216	55,285
		<u>251,895</u>	<u>217,438</u>
<b>Gross profit</b>		251,895	217,438
Other income		45,297	86,761
Administrative expenses		(1,379,532)	(1,573,320)
Other expenses		<u>(325,901)</u>	<u>(494,901)</u>
<b>Results from operating activities</b>		(1,408,241)	(1,764,022)
Finance costs		<u>(508,540)</u>	<u>(384,887)</u>
<b>Loss for the year</b>	8	(1,916,781)	(2,148,909)
<b>Other comprehensive (expense)/income, net of tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Net change in fair value of equity investments designated at fair value through other comprehensive income		(4,971,240)	6,487,658
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Debt investments measured at fair value through other comprehensive income		<u>(48,469)</u>	<u>(92,665)</u>
<b>Other comprehensive (expense)/income for the year, net of tax</b>		<u>(5,019,709)</u>	<u>6,394,993</u>
<b>Total comprehensive (expense)/income for the year</b>		<u><u>(6,936,490)</u></u>	<u><u>4,246,084</u></u>

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

## Naira Holdings Limited

(Company No. 104449)

(Incorporated in British Virgin Islands)

### Statement of changes in equity For the year ended 31 March 2019

	Non-distributable Share capital USD	Fair value reserve USD	Distributable Retained earnings USD	Total equity USD
<b>At 1 April 2017</b>	1,000,000	1,032,205	43,663,051	45,695,256
Net change in fair value of equity investments designated at fair value through other comprehensive income	--	6,487,658	--	6,487,658
Debt investments measured at fair value through other comprehensive income	--	(92,665)	--	(92,665)
<b>Total other comprehensive income for the year</b>	--	6,394,993	--	6,394,993
Loss for the year	--	--	(2,148,909)	(2,148,909)
<b>Total comprehensive income/ (expense) for the year</b>	--	6,394,993	(2,148,909)	4,246,084
<b>At 31 March 2018/1 April 2018</b>	1,000,000	7,427,198	41,514,142	49,941,340
Net change in fair value of equity investments designated at fair value through other comprehensive income	--	(4,971,240)	--	(4,971,240)
Debt investments measured at fair value through other comprehensive income	--	(48,469)	--	(48,469)
<b>Total other comprehensive expense for the year</b>	--	(5,019,709)	--	(5,019,709)
Loss for the year	--	--	(1,916,781)	(1,916,781)
<b>Total comprehensive expense for the year</b>	--	(5,019,709)	(1,916,781)	(6,936,490)
<b>At 31 March 2019</b>	<u>1,000,000</u>	<u>2,407,489</u>	<u>39,597,361</u>	<u>43,004,850</u>

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

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

**Statement of cash flows**  
**For the year ended 31 March 2019**

	Note	2019 USD	2018 USD
<b>Cash flows from operating activities</b>			
Loss for the year		(1,916,781)	(2,148,909)
Adjustments for:-			
Depreciation		464	384
Finance costs		508,540	384,887
Finance income		(182,679)	(162,153)
Dividend income		(69,216)	(55,285)
Unrealised (gain)/loss on foreign exchange		(37,991)	62,020
<b>Operating loss before changes in working capital</b>		<u>(1,697,663)</u>	<u>(1,919,056)</u>
Change in other receivables		(19,479)	(28,351)
Change in other investments		(1,047,371)	(5,003,057)
Change in accrued expenses		(480,000)	(1,607,825)
<b>Cash used in operations</b>		<u>(3,244,513)</u>	<u>(8,558,289)</u>
Interest paid		(508,540)	(384,887)
<b>Net cash used in operating activities</b>		<u>(3,753,053)</u>	<u>(8,943,176)</u>
<b>Cash flows from investing activities</b>			
Interest received		182,679	162,153
Dividend received		69,216	55,285
Due from related companies		2,087,843	(478,892)
Acquisition of plant and equipment		--	(1,223)
<b>Net cash from/(used in) investing activities</b>		<u>2,339,738</u>	<u>(262,677)</u>
<b>Cash flows from financing activities</b>			
Due to holding company		(166,893)	59,010
Due to related companies		1,360,752	5,480,578
<b>Net cash from financing activities</b>		<u>1,193,859</u>	<u>5,539,588</u>
<b>Net decrease in cash and cash equivalents</b>		(219,456)	(3,666,265)
Effect of foreign exchange rate changes		(474)	5,062
<b>Cash and cash equivalents at 1 April</b>		<u>1,661,693</u>	<u>5,322,896</u>
<b>Cash and cash equivalents at 31 March</b>	6	<u>1,441,763</u>	<u>1,661,693</u>

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 the 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 06 MAY 2019.

## 1. Basis of preparation

### (a) Basis of measurement

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

### (b) 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.

## 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.

Arising from the adoption of Revenue from Contracts with Customers and Financial Instruments, there are changes to the accounting policies of:

- i) financial instruments;
- ii) revenue recognition; and
- iii) impairment losses of financial instruments

as compared to those adopted in previous financial statements. There are no significant financial impacts arising from the changes to the accounting policies except for financial assets that were previously classified as loans and receivables and available-for-sale are now classified as amortised cost and fair value through other comprehensive income.

**(a) Foreign currency****Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the 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 which 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 fair value of equity instruments designated at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge of currency risk, which are recognised in other comprehensive income.

**(b) Financial instruments****(i) Recognition and initial 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 asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured 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*****Financial assets***

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.



**(b) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial assets (continued)***

The categories of financial assets at initial recognition are as follows:

**(a) *Amortised cost***

Amortised cost category comprises financial assets that are 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 on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(e)(i)) where the effective interest rate is applied to the amortised cost.

**(b) *Fair value through other comprehensive income*****(i) *Debt investments***

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(e)(i)) where the effective interest rate is applied to the amortised cost.

**(ii) *Equity investments***

This category comprises investment in equity that is not held for trading, and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

All financial assets, except for those equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(e)(i)).

**(b) Financial instruments (continued)****(ii) Financial instrument categories and subsequent measurement (continued)*****Financial liabilities***

The category of financial liabilities at initial recognition is as follows:

**(a) Amortised cost**

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

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

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

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.

Settlement date accounting refers to:

- (a) the recognition of an asset on the day it is received by the Company, and
- (b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

**(iv) 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 transferred, 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 of the financial asset 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. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

**(b) Financial instruments (continued)****(v) Offsetting**

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

**(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.

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 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 with original maturities of three months or less, and are used by the Company in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

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

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, 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, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income 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.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

**(e) Impairment (continued)****(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.

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) Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

**Ordinary shares**

Ordinary shares are classified as equity.

**(g) 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.

**(g) Revenue and other income (continued)****(iii) Sale of other investments**

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

**(h) 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.

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.

**(i) 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 contributions 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.

**(j) Fair value measurements**

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.

**(j) Fair value measurements (continued)**

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is 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.

### 3. Plant and equipment

	Computer software USD	Furniture and fittings USD	Total USD
<b>At cost</b>			
At 1 April 2017	13,822	11,812	25,634
Addition	--	1,223	1,223
At 31 March 2018	13,822	13,035	26,857
At 1 April 2018/31 March 2019	13,822	13,035	26,857
<b>Accumulated depreciation</b>			
At 1 April 2017	13,822	11,643	25,465
Depreciation charge	--	384	384
At 31 March 2018/1 April 2018	13,822	12,027	25,849
Depreciation charge	--	464	464
At 31 March 2019	13,822	12,491	26,313
<b>Carrying amounts</b>			
At 1 April 2017	--	169	169
At 31 March 2018/1 April 2018	--	1,008	1,008
At 31 March 2019	--	544	544

### 4. Other investments

	Quoted investments USD	Quoted bonds USD	Total USD
<b>2019</b>			
Fair value through other comprehensive income	8,202,194	3,931,466	12,133,660
<b>2018</b>			
Fair value through other comprehensive income	13,173,435	2,933,435	16,106,870

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

The amounts due from related companies are non-trade in nature, unsecured, interest free and repayable on demand.

The amounts due to related companies include loan amounts of USD8,162,410 (2018: USD6,774,022) which bear interest at 6 months LIBOR plus 1% (2018: 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.

The amount due to holding company include loan amounts of USD8,772,593 (2018: USD8,772,593) which bear interest at 3 months LIBOR plus 0.25% (2018: 0.25%) per annum, are unsecured and repayable on demand. The other amount due to holding company is non-trade in nature, interest free and repayable on demand.



Company No. 104449

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

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	At 1 April 2017 USD	Net changes from financing cash flows USD	At 31 March 2018/ 1 April 2018 USD	Net change from financing cash flows USD	At 31 March 2019 USD
Due to holding company	18,205,102	59,010	18,264,112	(166,893)	18,097,219
Due to related companies	<u>7,953,305</u>	<u>5,480,578</u>	<u>13,433,883</u>	<u>1,360,752</u>	<u>14,794,635</u>
<b>Total liabilities from financing activities</b>	<u>26,158,407</u>	<u>5,539,588</u>	<u>31,697,995</u>	<u>1,193,859</u>	<u>32,891,854</u>

## 6. Cash and cash equivalents

	2019 USD	2018 USD
Cash at bank	892,135	68,458
Fixed deposits with licensed banks	100,000	100,000
Cash in brokerage accounts	<u>449,628</u>	<u>1,493,235</u>
	<u>1,441,763</u>	<u>1,661,693</u>

## 7. Capital and reserves

### Share capital

	2019 USD	2018 USD	Number of ordinary shares	
			2019	2018
Issued and fully paid shares classified as equity instrument:				
Ordinary shares	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

### Reserves

	2019 USD	2018 USD
<b>Distributable</b>		
Retained earnings	39,597,361	41,514,142
<b>Non-distributable</b>		
Fair value reserve	<u>2,407,489</u>	<u>7,427,198</u>
	<u>42,004,850</u>	<u>48,941,340</u>

### Fair value reserve

The fair value reserve comprise the cumulative net change in the fair value of equity and debt securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

Company No. 104449

**8. Loss for the year**

	2019 USD	2018 USD
<b>Loss for the year is arrived at after charging/(crediting)</b>		
Audit fee	6,120	5,452
Depreciation	464	384
Personnel expenses (including key management personnel):		
- Contributions to state plans	7,049	12,931
- Wages, salaries and others	1,372,483	1,560,389
Rental of premises	30,390	30,530
Net gain on sale of other investments	(14,367)	(86,761)
Unrealised (gain)/loss on foreign exchange	<u>(37,991)</u>	<u>62,020</u>

**9. 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.

**10. Financial instruments****10.1 Categories of financial instruments**

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

- (a) Amortised cost ("AC").
- (b) Fair value through other comprehensive income ("FVOCI")
  - Equity instruments designated upon initial recognition ("EIDUIR")
  - Debt instrument ("DI")

	Carrying amount USD	AC USD	FVOCI - EIDUIR USD	FVOCI - DI USD
<b>2019</b>				
<b>Financial assets</b>				
Other investments	12,133,660	--	8,202,194	3,931,466
Due from related companies	62,275,120	62,275,120	--	--
Other receivables	51,617	51,617	--	--
Cash and cash equivalents	<u>1,441,763</u>	<u>1,441,763</u>	--	--
	<u>75,902,160</u>	<u>63,768,500</u>	<u>8,202,194</u>	<u>3,931,466</u>
<b>Financial liabilities</b>				
Due to holding company	(18,097,219)	(18,097,219)	--	--
Due to related companies	(14,794,635)	(14,794,635)	--	--
Accrued expenses	<u>(6,000)</u>	<u>(6,000)</u>	--	--
	<u>(32,897,854)</u>	<u>(32,897,854)</u>	<u>--</u>	<u>--</u>

## 10. Financial instruments (continued)

### 10.1 Categories of financial instruments (continued)

	Carrying amount USD	AC USD	FVOCI - EIDUIR USD	FVOCI - DI USD
<b>2018</b>				
<b>Financial assets</b>				
Other investments	16,106,870	--	13,173,435	2,933,435
Due from related companies	64,323,626	64,323,626	--	--
Other receivables	32,138	32,138	--	--
Cash and cash equivalents	1,661,693	1,661,693	--	--
	<u>82,124,327</u>	<u>66,017,457</u>	<u>13,173,435</u>	<u>2,933,435</u>
<b>Financial liabilities</b>				
Due to holding company	(18,264,112)	(18,264,112)	--	--
Due to related companies	(13,433,883)	(13,433,883)	--	--
Accrued expenses	(486,000)	(486,000)	--	--
	<u>(32,183,995)</u>	<u>(32,183,995)</u>	<u>--</u>	<u>--</u>

### 10.2 Net gains and losses arising from financial instruments

	2019 USD	2018 USD
Net gains/(losses) on:		
Equity instruments designated at fair value through other comprehensive income:		
- recognised in other comprehensive income	(4,902,024)	6,542,943
Debt instruments at fair value through other comprehensive income		
- recognised in other comprehensive income	134,210	69,488
Financial assets at amortised cost	37,991	(62,020)
Financial liabilities at amortised cost	(508,540)	(384,887)
	<u>(5,238,363)</u>	<u>6,165,524</u>

### 10.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 10.4 Credit risk

Credit risk is the risk of a financial loss 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 and investment in debt securities.

## 10. Financial instruments (continued)

### 10.4 Credit risk (continued)

#### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

#### Other receivables

The Company monitors the exposure to credit risk on individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position and the Company does not recognise any allowance for impairment losses.

#### Investment in debt securities

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

There is no history of default on these bonds and there are no indicators that these bonds may default. The Company is of the view that the loss allowance is not material and hence, it is not provided for.

#### Inter-company balances

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

The Company monitors the exposure to credit risk on an ongoing basis.

##### *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.

##### *Recognition and measurement of impairment loss*

Generally, the Company considers amounts due from related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when the related companies' financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related companies when they are payable, the Company considers the amounts to be in default when the related companies are not able to pay when demanded. The Company considers amounts due from related companies to be credit impaired when:

- The related companies are unlikely to repay the amounts due to the Company in full; or
- The related companies are continuously loss making and are having a deficit shareholders' fund.

## 10. Financial instruments (continued)

### 10.4 Credit risk (continued)

#### Inter-company balances (continued)

##### *Recognition and measurement of impairment loss (continued)*

The Company determines the probability of default for these amounts due from related companies individually using internal information available.

As at the end of the reporting period, there was no indication that the amounts due from related companies are not recoverable.

### 10.5 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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

#### *Maturity analysis*

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount USD	Contractual interest rate %	Contractual cash flows USD	Under 1 year USD
<b>2019</b>				
<i>Non-derivative financial liabilities</i>				
Due to holding company	8,772,593	3 months LIBOR plus 0.25%	9,021,893	9,021,893
Due to holding company	9,324,626	--	9,324,626	9,324,626
Due to related companies	8,162,410	6 months LIBOR plus 1 %	8,459,612	8,459,612
Due to related companies	6,632,225	--	6,632,225	6,632,225
Accrued expenses	6,000	--	6,000	6,000
	<u>32,897,854</u>		<u>33,444,356</u>	<u>33,444,356</u>
<b>2018</b>				
<i>Non-derivative financial liabilities</i>				
Due to holding company	8,772,593	3 months LIBOR plus 0.25%	9,014,405	9,014,405
Due to holding company	9,491,519	--	9,491,519	9,491,519
Due to related companies	6,774,022	6 months LIBOR plus 1%	7,039,089	7,039,089
Due to related companies	6,659,861	--	6,659,861	6,659,861
Accrued expenses	486,000	--	486,000	486,000
	<u>32,183,995</u>		<u>32,690,874</u>	<u>32,690,874</u>

## 10. Financial instruments (continued)

### 10.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other price risk 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 Dollar ("SGD"), Euro ("EUR"), Great Britain Pound ("GBP") and Ringgit Malaysia ("RM").

#### *Exposure to foreign currency risk*

The Company's exposure to foreign currency (a currency which is other than the functional currency of the Company) risk, based on carrying amounts as at the end of the reporting period are as follows:

	SGD USD	EUR USD	Denominated in GBP USD	RM USD
<b>2019</b>				
Due from a related company	834,379	--	1,581,323	--
Due to holding company	--	--	(1,171,350)	(1,604,606)
Due to related companies	(60,231)	--	(71,994)	--
Cash and cash equivalents	782,923	16,115	286	--
	<u>1,557,071</u>	<u>16,115</u>	<u>338,265</u>	<u>(1,604,606)</u>
<b>2018</b>				
Due from a related company	861,871	--	1,702,337	--
Due to holding company	--	--	(1,260,990)	(1,694,638)
Due to related companies	(82,358)	--	(77,503)	--
Cash and cash equivalents	18,404	17,675	309	--
	<u>797,917</u>	<u>17,675</u>	<u>364,153</u>	<u>(1,694,638)</u>

#### *Currency risk sensitivity analysis*

A 10% (2018: 10%) strengthening of the US Dollar against the following currencies at the end of the reporting period would have increased/(decreased) 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	
	2019 USD	2018 USD
SGD	(155,707)	(79,792)
EUR	(1,612)	(1,768)
GBP	(33,827)	(36,415)
RM	<u>160,461</u>	<u>169,464</u>

A 10% (2018: 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.

## 10. Financial instruments (continued)

### 10.6 Market risk (continued)

#### Interest rate risk

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

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 are as follows:

	2019 USD	2018 USD
<b>Fixed rate instruments</b>		
Financial assets	<u>100,000</u>	<u>100,000</u>
<b>Floating rate instruments</b>		
Financial liabilities	<u>16,935,003</u>	<u>15,546,615</u>

#### *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 period 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 USD169,350 (2018: USD155,466). This analysis assumes that all other variables, in particular foreign currency rates remained constant.

#### Other price risk

Price risk arises from the Company's investments in mutual funds, quoted equity securities and bonds.

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

Management of the Company monitors the investments on portfolio basis.

The Company invests in mutual funds which seek to invest in money market instruments and deposits with licensed financial institution for reasonable rate of return on income while maintaining capital stability.

## 10. Financial instruments (continued)

### 10.6 Market risk (continued)

#### *Price risk sensitivity analysis*

#### **Mutual funds and other investments**

The mutual funds and other investments invest in money market instruments and deposited with licensed financial institution. The net asset value ("NAV") of the mutual funds and other investments mainly depends on the performance of the financial instruments which is affected by changes in the market interest rate.

At the end of the reporting period, with all the variables held constant, a change of 100 basis points ("bp") in the interest rate would have increased/(decreased) equity for investments classified as fair value through other comprehensive income financial assets by the amounts shown below:

	Equity	
	2019 USD	2018 USD
100 bp increase	10,657	20,429
100 bp decrease	<u>(10,657)</u>	<u>(20,429)</u>

#### **Quoted equity securities and bonds**

This analysis assumes that all other variables remain constant and the Company's investments moved in correlation with the stock exchange of respective countries.

A 1% strengthening/(weakening) in stock exchange of respective countries at the end of the reporting period would have increased/(decreased) equity for investment classified as fair value through other comprehensive income financial assets by the amounts as shown below:

	Equity	
	2019 USD	2018 USD
1% strengthening	110,680	140,639
1% weakening	<u>(110,680)</u>	<u>(140,639)</u>

### 10.7 Fair value information

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

The carrying amount of investment in quoted equity securities and bonds are carried at fair value according to the quoted market prices in an active market and is categorised as Level 1 under the fair value hierarchy.



## 10. Financial instruments (continued)

### 10.7 Fair value information (continued)

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value Level 2 USD	Carrying amount USD
<b>2019</b>		
Mutual funds and other investments	<u>1,065,701</u>	<u>1,065,701</u>
<b>2018</b>		
Mutual funds and other investments	<u>2,042,944</u>	<u>2,042,944</u>

#### Level 1 fair value

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

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

#### *Transfers between Level 1 and Level 2 fair values*

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2018: no transfer in either directions).

## 11. 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.

## 12. 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 holding companies, related companies and key management personnel.

**12. Related parties (continued)****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.

	<b>2019 USD</b>	<b>2018 USD</b>
<b>A. Holding company</b>		
Interest expenses	241,813	154,929
Management fees	<u>29,373</u>	<u>28,965</u>
<b>B. Related companies</b>		
Loan	1,388,388	6,000,000
Interest expenses	265,067	191,477
Rental expenses	<u>30,390</u>	<u>30,530</u>
<b>C. Key management personnel Directors</b>		
Remuneration	<u>22,596</u>	<u>91,618</u>

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants  
Level 3, CIMB Leadership Academy  
No. 3, Jalan Medini Utara 1  
Medini Iskandar  
79200 Iskandar Puteri  
Johor Darul Takzim, Malaysia

Telephone +60 (7) 266 2213  
Fax +60 (7) 266 2214  
Website [www.kpmg.com.my](http://www.kpmg.com.my)

## **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 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements are prepared in all material respects, in accordance with the Company's accounting policies as disclosed in Note 2 to the financial statements.

#### **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 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. 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 Accounting and Restriction on Use and Distribution**

We draw attention to Note 2 to the financial statements, which describes the Company's accounting policies. The financial statements are prepared for the purpose of providing information to the ultimate holding company, The Bombay Burmah Trading Corporation Limited, to enable it to prepare the consolidated financial statements. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the members of the Company and should not be used by or distributed to parties other than the members of the Company. Our opinion is not modified in respect of this matter.

Company No. 104449

*Naira Holdings Limited  
Independent Auditors' Report for the  
Financial Year Ended 31 March 2019*

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

The Directors of the Company are responsible for the preparation of financial statements in accordance with the Company's accounting policies and 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.

Company No. 104449

*Naira Holdings Limited*  
*Independent Auditors' Report for the*  
*Financial Year Ended 31 March 2019*

- 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.

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.

A handwritten signature in black ink, appearing to read 'KPMG', followed by a long horizontal line.

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

Johor Bahru

Date: **06 MAY 2019**