LEILA LANDS LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

LEILA LANDS LTD

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

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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	-
	Savinilorna Payandi-Pillay Ramen	May 7, 2018	-
	Rudran Poopalasingham	June 6, 2017	-

SECRETARY:
IQ EQ Corporate Services (Mauritius) Ltd
Les Cascades Building
33, Edith Cavell Street
11324, Port Louis
Republic of Mauritius

REGISTERED OFFICE:
C/o IQ EQ Corporate Services (Mauritius) Ltd
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

Absa Bank (Mauritius) Limited
(Formerly known as Barclays Bank Mauritius Limited)
International Banking
3rd Floor, Absa House
68-68A Cybercity
Ebène
Republic of Mauritius

LEILA LANDS LTD

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2020

The directors present their commentary, together with the audited financial statements of LEILA LANDS LTD (the "Company") for the year ended March 31, 2020.

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 69,520,844** (2019: USD 19,010,465). The directors do not propose the payment of any dividend for the year under review (2019: 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.

On March 11, 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. There are meaningful direct and indirect effects developing with companies across multiple industries and the world.

The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but not limited to, twelve months from date of authorisation of these financial statements. As of date of this report, we confirm that, there is no material impact on the Company resulting from COVID-19 since the Company does not have any other significant current assets except for cash and cash equivalents and we have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

LEILA LANDS LTD

COMMENTARY OF THE DIRECTORS
FOR THE YEAR ENDED MARCH 31, 2020

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.

LEILA LANDS LTD
CERTIFICATE FROM THE SECRETARY
UNDER SECTION 166(d) OF THE COMPANIES ACT 2001

We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Leila Lands Ltd (" the Company") under the Companies Act 2001 in term of Section 166(d) for the year ended 31 March 2020.

....
IQ EQ Corporate Services (Mauritius) Ltd
CORPORATE SECRETARY

Registered Office:
33, Edith Cavell Street,
Port Louis, 11324
Mauritius

Date: 24 June 2020

KPMG
KPMG Centre
31, Cybercity
Ebène
Mauritius
Telephone +230 406 9999
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 2020 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 9 to 41.

In our opinion, the financial statements of Leila Lands Ltd for the year ended 31 March 2020 are 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 Accounting

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, or any other information, but 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 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.

Responsibilities of Directors 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.

- 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 appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF LEILA LANDS LTD

Report on the Audit of the 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

WGE Pretorius

Wayne Pretorius
Licensed by FRC

Date: **24 June 2020**

LEILA LANDS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2020

	Note	**2020 USD**	2019 USD
Income			
Dividend income		**71,250,000**	22,100,000
		71,250,000	22,100,000
Expenses			
Audit fees		**7,216**	5,500
Professional fees		**634,898**	723,583
Administrative expenses		**1,364**	1,280
Bank charges		**6,664**	5,951
Guarantee Commission		**75,076**	135,776
		725,218	872,090
Operating profit		**70,524,782**	21,227,910
Net finance costs	5	**(1,003,938)**	(2,217,445)
Profit before tax		**69,520,844**	19,010,465
Tax expense	6	**-**	-
Profit for the year		**69,520,844**	19,010,465
Other comprehensive income, net of tax			
Total comprehensive income for the year		**69,520,844**	19,010,465

The notes on pages 13 to 41 form an integral part of these financial statements.

LEILA LANDS LTD

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Note	2020 USD	2019 USD
Assets			
Investment in subsidiaries	7	**210,540,412**	210,540,412
Loan to fellow subsidiary	8	**1,682,986**	1,769,454
Amounts due from fellow subsidiaries	9	**1,287,894**	809,276
Amounts due from subsidiaries	10	**1,187,557**	1,248,570
Loan to related party	11	**39,040,000**	39,040,000
Non-current assets		**253,738,849**	253,407,712
Prepayment		-	226,319
Cash and cash equivalents	12	**617,643**	4,081,942
Current assets		**617,643**	4,308,261
Total assets		**254,356,492**	257,715,973
Equity			
Share capital	13	**200**	200
Retained earnings		**208,666,981**	139,146,137
Total equity		**208,667,181**	139,146,337
Liabilities			
Loans from related parties	14	**34,661,760**	51,979,261
Loan from holding company	15	**1,486,257**	1,531,024
Amount due to fellow subsidiaries	16	**9,369,208**	9,609,031
Interest-bearing loans and borrowings	17	-	36,750,000
Non-current liabilities		**45,517,225**	99,869,316
Other payables	18	**5,000**	5,000
Amount due to related parties	19	**167,086**	135,612
Amount due to ultimate holding company	20	-	33,473
Interest-bearing loans and borrowings	17	-	18,526,235
Current liabilities		**172,086**	18,700,320
Total liabilities		**45,689,311**	118,569,636
Total Equity and Liabilities		**254,356,492**	257,715,973

These financial statements have been approved by the Board of Directors on 24 JUN 2020 and signed on its behalf by:

Director *Director*

The notes on pages 13 to 41 form an integral part of these financial statements.

LEILA LANDS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2020

	Share capital USD	Retained earnings USD	Total equity USD
Balance at 01 April 2018	200	120,135,672	120,135,872
Total comprehensive income for the year			
Profit for the year	-	19,010,465	19,010,465
Balance at 31 March 2019	200	139,146,137	139,146,337
Balance at 01 April 2019	**200**	**139,146,137**	**139,146,337**
Total comprehensive income for the year			
Profit for the year	**-**	**69,520,844**	**69,520,844**
Balance at 31 March 2020	**200**	**208,666,981**	**208,667,181**

The notes on pages 13 to 41 form an integral part of these financial statements.

LEILA LANDS LTD

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	Note	2020	2019
		USD	USD
Cash flows from operating activities			
Profit before tax		**69,520,844**	19,010,465
Adjustments for:			
Interest expense		**1,245,061**	2,540,184
Dividend Income		**(71,250,000)**	(22,100,000)
Exchange difference on translation		**(241,123)**	(322,739)
		(725,218)	(872,090)
Changes in:			
Prepayments		**226,319**	393,148
Other payables		**-**	500
Amount due from fellow subsidiaries		**(500,000)**	-
Amount due to ultimate holding company		**(33,473)**	33,473
Amount due to related parties		**39,369**	48,040
Cash used in operating activities		**(993,003)**	(396,929)
Net cash used in operating activities		**(993,003)**	(396,929)
Cash flows from investing activity			
Dividend received		**71,250,000**	22,100,000
Net cash from investing activity		**71,250,000**	22,100,000
Cash flows from financing activities			
Repayment of loans		**(23,200,000)**	(2,500,000)
Proceeds from loans		**6,000,000**	1,100,000
Repayment of borrowings from bank		**(55,250,000)**	(15,000,000)
Interest paid on borrowings from bank		**(1,271,296)**	(2,543,160)
Net cash used in financing activities		**(73,721,296)**	(18,943,160)
Net (decrease)/ increase in cash and cash equivalents		**(3,464,299)**	2,759,911
Cash and cash equivalents at 01 April		**4,081,942**	1,322,031
Cash and cash equivalents at 31 March	**12**	**617,643**	4,081,942

The notes on pages 13 to 41 form an integral part of these financial statements.

1. Reporting entity

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

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

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

2. Basis of preparation

(a) Statement of Compliance

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

(b) Basis of measurement

The financial statements have been prepared on the going concern basis using the historical cost convention, except for certain financial assets and financial liabilities which are stated at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

2. Basis of preparation (Continued)

(d) Use of estimates and judgements (continued)

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

3. Significant accounting policies

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

(a) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates and one in which it primarily generates and expands cash (the "functional currency"). If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Company's investments and transactions are denominated in the United States Dollar ("USD").

Contributions from its shareholders and distributions are received and paid in USD and the performance of the Company is measured in USD terms. The income and expenses of the Company are denominated and settled in USD. Therefore, the directors have determined that the functional currency of the Company is the USD and the financial statements are presented in USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3. Significant accounting policies (Continued)

(b) Financial assets and financials liabilities

Recognition and initial measurement

Financial assets at fair value through profit or loss are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and liabilities are recognised on the date they are originated.

Financial assets and financial liabilities at fair value through profit or loss are measured initially at fair value, with transaction costs recognised in profit or loss. Financial assets and financial liabilities not at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Classification

Financial assets and financial liabilities

On initial recognition, the Company classifies financial assets as measured at amortised cost or 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:

- The objective of the Company's business model is to hold assets only to collect cash flows, or to collect cash flows and to sell (the Business Model test), and

- The contractual cash flows of an asset give rise to payments on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding (the SPPI test).

All other financial assets are classified as measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how the investment manager is compensated: e.g whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

3. Significant accounting policies (Continued)

(b) Financial assets and financials liabilities (continued)

Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The Company has determined that it has two business model:

- Held-to-collect business model: this includes cash and cash equivalents and receivables. These financial assets are held to collect contractual cash flow.

- Other business model: this includes equity investments and debt securities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

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

The Company classified its financial assets and financial liabilities into following categories:

- Financial assets at fair value through profit or loss: Nil
- Financial assets at amortised cost: Loan to fellow subsidiary, Amount due from fellow subsidiaries, Loan to related party, Amount due from subsidiaries and Cash and Cash equivalents
- Financial liabilities at amortised cost: Loans from related parties, Loan from holding company and Amount due to fellow subsidiaries, Interest bearing loan and borrowings, Other payable, Amount due to related parties and Amount due to ultimate holding company.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

3. Significant accounting policies (Continued)

(b) Financial assets and financials liabilities (continued)

Assessment whether contractual cash flows are SPPI (continued)

Subsequent measurement

Category	**Subsequent measurement**
Financial assets at fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest income expense and foreign exchange are recognised in profit or loss as ‘loss on fair valuation of financial assets at fair value through profit or loss’ in the statement of profit or loss and other comprehensive income. Dividend income on such instruments is disclosed as a separate line item in the statement of profit or loss and other comprehensive income.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in ‘finance income', foreign exchange gains and losses are recognised in ‘exchange difference’ and impairment is recognised in ‘expected credit losses’ in the statement of profit or loss and other comprehensive income. Any gain or loss on derecognition and modification is also recognised in profit or loss.
Financial liabilities at amortised cost	The Company classifies its accruals and other payables and net assets attributable to holders of Class A shares as financial liabilities at amortised cost and are subsequently measured at effective cost using the effective interest rate.

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 input and minimize the use of unobservable input. The chosen valuation technique incorporates all of the factors that market participant would take into account in pricing a transaction. The fair value of the financial asset is based on its net asset value.

3. Significant accounting policies (Continued)

(b) Financial assets and financials liabilities (continued)

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, minus any reduction for impairment.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability at initial recognition. When calculating the effective interest rate, the Company estimates the future cash flows considering all contractual terms of the financial instruments but not the future credit losses

Impairment

The Company recognises loss allowances for 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 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.

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 it is more than 30 days past due.

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 realising assets (if any is held); or

- the financial asset is more than 90 days past due.

All financial assets that are receivable from related parties are considered to have low credit risk. The Company consider also consider its cash at bank to have low credit risk based on the external credit ratings of the financial institution with which cash is held.

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.

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

3. Significant accounting policies (Continued)

(b) Financial assets and financials liabilities (continued)

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
- it is probable that the borrower will enter bankruptcy or other financial reorganisation
- the underlying project is put on hold
- breach of contract such as a default or being more than 90 days past due

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.

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.

Derecognition and modification

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Realised gain is calculated based on proceeds realised on disposal of investments less its cost. The cost is based on weighted average cost.

In transactions in which the Company neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

3. Significant accounting policies (Continued)

(b) Financial assets and financials liabilities (continued)

Derecognition and modification (continued)

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

The Company recalculates the gross carrying amount of financial assets and recognises a modification gain or loss in profit or loss when the contractual cash flows are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate.

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 has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

There is no offsetting of financial instruments applied as on reporting in the statement of financial position.

(c) 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.

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3. Significant accounting policies (Continued)

(d) 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.

(e) Expenses

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

(f) 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.

(g) 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. For unquoted securities, this is usually the date when the shareholders have approved the payment of a dividend.

(h) 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.

(i) Income tax

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

Current Tax

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

LEILA LANDS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

3. Significant accounting policies (Continued)

(i) Income tax (continued)

Deferred Tax

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

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

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

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

(j) 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

There have been amendments and interpretations that have become effective for the current year. The Company has adopted the following new interpretation during the year:

IFRIC 23 Uncertainty over Income Tax Treatment

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

4. (a) Standards and interpretations adopted in current year (continued)

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

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

The amendments in IFRS 12 through IFRIC 23 do not have any impact since Company does not have any uncertain income tax treatments as on 31 March 2020.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Amendments to IFRS 9, IAS 39 and IFRS 7 have now been issued to address uncertainties related to the ongoing reform of interbank offered rates (IBOR). The amendments provide targeted relief for financial instruments qualifying for hedge accounting in the lead up to IBOR reform.

The amendments address issues affecting financial reporting in the period leading up to IBOR reform, are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform.

Aforesaid amendment does not have impact on Company.

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

Definition of Material (Amendments to IAS 1 and IAS 8)

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The IASB has also removed the definition of material omissions or misstatements from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the directors do not expect significant change – the refinements are not intended to alter the concept of materiality.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management’s intentions or expectations for settling a liability when determining its classification is unchanged.

5. Net finance costs

	2020	2019
	USD	USD
Interest on loans (other than those from related parties)	**1,205,692**	2,492,144
Interest on loans from related parties	**39,369**	48,040
Foreign exchange gain	**(241,123)**	(322,739)
	1,003,938	2,217,445

6. Tax expense

The Company being the holder of a Category 1 Global Business Licence, is liable to income tax in Mauritius at the rate of 15%. It can, however, claim credit equivalent to the higher of the foreign tax suffered or 80% of the Mauritian tax chargeable on its foreign source income.

The tax charge based on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	2020	2019
	USD	USD
Profit before tax	**69,520,844**	19,010,465
Tax effect at 15%	**10,428,127**	2,851,570
Legal and Professional fees	**93,831**	-
Underlying Tax	**1,352,201**	875,619
Foreign tax credit	**(11,874,159)**	(3,727,189)
	-	-

Regulatory

The Financial Services Commission ("FSC") issued a Category 1 Global Business Licence ("GBL1") to the Company on 22 January 2007. Further to the changes made by the Finance (Miscellaneous Provisions) Act 2018 ("FMPA 2018") to the Financial Services Act ("FSA"), the FSC is no longer empowered to issue any GBL1 as from 1 January 2019. Instead, the FSC may issue a Global Business Licence ("GBL") if the Company satisfies certain conditions. The Company will be deemed to hold a GBL as from 1 July 2021 under section 96A(1)(b) of the FSA.

Tax

The Company is not allowed to compute its foreign tax according to a presumed amount of 80% of the Mauritian tax of the relevant foreign sourced income. Furthermore, transactions with GBL corporations and non-residents will not necessarily be considered to be foreign sourced income. A partial exemption on its foreign dividend income, interest income and profits from foreign permanent establishments may apply: the partial exemption is computed at 80% of the income in question. The partial exemption is not mandatory: the Company may apply the credit system if it so wishes.

7. Investments in subsidiaries

(a) Cost

	2020	2019
	USD	USD
At 01 April and 31 March	**210,540,412**	210,540,412

(b) Details of investments are as follows:

Name of investee company	**Type and number of shares**	**Country of incorporation**	**Nominal value of investments**	**% Holding 2020**	% Holding 2019
			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% (2019: 50%) of ABI Holdings Limited indirectly through Britannia Brands Limited.

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

	Country of incorporation	**Indirect holding 2020**	Indirect holding 2019
Associated Biscuits International Limited	United Kingdom	**100%**	100%
Bannatyne Enterprises Pte Ltd	Singapore	**100%**	100%
Dowbiggin Enterprises Pte Ltd	Singapore	**100%**	100%
Nacupa Enterprises Pte Ltd	Singapore	**100%**	100%
Spargo Enterprises Pte Ltd	Singapore	**100%**	100%
Valletort Enterprises Pte Ltd	Singapore	**100%**	100%

8. Loan to fellow subsidiary

	2020	2019
	USD	USD
Loan to Associated Biscuits International Limited	**1,682,986**	1,769,454

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

	2020	2019
	USD	USD
Associated Biscuits International Limited	**1,199,871**	716,793
Bannatyne Enterprises Pte Ltd	**15,746**	16,544
Dowbiggin Enterprises Pte Ltd	**15,872**	16,676
Nacupa Enterprises Pte Ltd	**15,697**	16,493
Spargo Enterprises Pte Ltd	**15,714**	16,510
Valletort Enterprises Pte Ltd	**24,994**	26,260
	1,287,894	809,276

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

	2020	2019
	USD	USD
ABI Holdings Limited	**3,095**	3,254
Britannia Brands Limited	**1,184,462**	1,245,316
	1,187,557	1,248,570

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

11. Loan to related party

	2020	2019
	USD	USD
Loan to Baymanco Investments Limited		
Opening balance	**39,040,000**	39,040,000
Addition	**8,000,000**	-
Repayment	**(8,000,000)**	-
Closing balance	**39,040,000**	39,040,000

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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. In addition, the loans has been subordinated in favour of other creditors until such time that Baymanco Investments Limited is in the financial capacity to settle the loans.

12. Cash and cash equivalents

	2020	2019
	USD	USD
Cash in hand	**200**	200
Cash at bank	**617,443**	4,081,742
	617,643	4,081,942

13. Share capital

	2020	2019
	USD	USD
Issued and fully paid		
2 Ordinary shares of USD 100 each	**200**	200

There were no movements in the issued share capital of the Company in either the 2020 or 2019 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

	2020	2019
	USD	USD
Loan from Island Horti-Tech Holdings Pte Ltd	**1,315,148**	1,315,148
Loan from Naira Holdings Limited	**33,346,612**	50,664,113
	34,661,760	51,979,261

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

15. Loan from holding company

	2020	2019
	USD	USD
Loan from Leila Lands Sdn. Bhd.	**1,486,257**	1,531,024

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

	2020	2019
	USD	USD
Bannatyne Enterprises Pte Ltd	**1,957,010**	2,016,608
Dowbiggin Enterprises Pte Ltd	**1,297,648**	1,313,403
Nacupa Enterprises Pte Ltd	**1,940,105**	1,987,025
Spargo Enterprises Pte Ltd	**2,172,641**	2,232,280
Valletort Enterprises Pte Ltd	**2,001,804**	2,059,715
	9,369,208	9,609,031

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

	2020	2019
	USD	USD
Current		
Bank loan	-	18,500,000
Interest payable	-	26,235
	-	18,526,235
Non -current		
Bank loan	-	36,750,000
Total	-	55,276,235

17. Interest-bearing loans and borrowings (continued)

In April 2016, the Company had 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 was secured by corporate guarantees from subsidiaries and the ultimate holding company, The Bombay Burmah Trading Corporation, Limited. The Company repaid the entire outstanding loan of **USD 55,250,000** in the current year.

18. Other payables

	2020	2019
	USD	USD
Accruals	**5,000**	5,000
	5,000	5,000

19. Amount due to related parties

	2020	2019
	USD	USD
Island Horti-Tech Holdings Pte Ltd	**166,400**	134,926
Naira Holdings Limited	**686**	686
	167,086	135,612

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

20. Amount due to ultimate holding company

	2020	2019
	USD	USD
The Bombay Burmah Trading Corporation Limited	**-**	33,473

The amount due to ultimate holding company was unsecured and had no fixed repayment terms.

21. Financial instruments

(a) *Fair values and risk management*

(i) Accounting classifications and fair values

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

	Carrying Amount		**Fair Value**			
	Financial Assets	**Financial Liabilities**	**Level 1**	**Level 2**	**Level 3**	**Total**
2020	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial assets not measured at fair value						
Cash and cash equivalents	**617,643**	-	-	**617,643**	-	-
Loans and other receivables	**43,198,437**	-	-	**43,198,437**	-	
Total	**143,816,080**	-	-	**143,816,080**	-	-
Financial liabilities not measured at fair value						
Loans and other payables - Interest bearing	-	**1,315,148**	-	**1,315,148**	-	-
Loans and other payables – Non-interest bearing	-	**44,369,163**	-	**44,369,163**	-	-
Accruals	-	**5,000**	-	**5,000**	-	-
Total	-	**(50,654,320)**	-	**(50,654,320)**	-	-

	Carrying Amount		**Fair Value**			
	Financial Assets	**Financial Liabilities**	**Level 1**	**Level 2**	**Level 3**	**Total**
2019	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Financial assets not measured at fair value						
Cash and cash equivalents	4,081,942	-	-	4,081,942	-	-
Loans and other receivables	42,867,300	-	-	42,867,300	-	-
Total	46,949,242	-	-	46,949,242	-	-
Financial liabilities not measured at fair value						
Loans and other payables - Interest bearing	-	56,591,383	-	56,591,383	-	-
Loans and other payables – Non-interest bearing	-	61,973,253	-	61,973,253	-	-
Accruals	-	5,000	-	5,000	-	-
Total	-	118,569,636	-	118,569,636	-	-

21. Financial instruments (Continued)

(b) Financial risk management

Overview

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

- Market risk
- Credit risk
- Liquidity risk

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

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.

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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 2020	**Financial liabilities 2020**	Financial assets 2019	Financial liabilities 2019
	USD	**USD**	USD	USD
Great Britain Pound	**3,164,103**	**6,388,550**	3,326,667	6,716,777
United States Dollar	**40,527,643**	**37,712,255**	43,491,942	110,221,962
Singapore Dollar	**124,334**	**960,552**	130,632	969,306
Malaysian Ringgit	**-**	**627,954**	-	661,591
	43,816,080	**45,689,311**	46,949,241	118,569,636

	Change in USD rate	**2020 Effect on Profit USD**	**2020 Effect on Equity USD**	2019 Effect on Profit USD	2019 Effect on Equity USD
Great British Pound	**± 5%**	**161,222**	**161,222**	169,506	169,506
		(161,222)	**(161,222)**	(169,506)	(169,506)
Singapore Dollar	**± 5%**	**39,820**	**39,820**	39,937	39,937
		(39,820)	**(39,820)**	(39,937)	(39,937)
Malaysian Ringgit	**± 5%**	**29,903**	**29,903**	31,504	31,504
		(29,903)	**(29,903)**	(31,504)	(31,504)

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.

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 2020 USD**	Carrying amount 2019 USD
Financial assets	**-**	-
Financial liabilities	**1,315,148**	56,565,148
	1,315,148	56,565,148

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.

	Increase / (decrease) in basis points	Effect on Profit before Tax
2020		
United States Dollar	**±45**	**(5,918)**
		5,918
2019		
United States Dollar	±45	(254,543)
		254,543

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. The financial assets are neither past due nor impaired at the reporting date.

Cast at Bank

The Company’s exposure to credit risk is minimal as it banks with Absa Bank (Mauritius) Limited and BNP Paribas, reputable financial institutions with credit rating as per Moody’s rating for deposits of Baa3 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.

Loan to fellow subsidiary, amount due from fellow subsidiaries, amount due from subsidiaries and amount due from subsidiaries

Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term and thus the ECL is not material.

The maximum exposure to credit risk was as follows:

	2020	2019
	USD	USD
Loan to fellow subsidiary	**1,682,986**	1,769,454
Amounts due from fellow subsidiaries	**1,287,894**	809,276
Amounts due from subsidiaries	**1,187,557**	1,248,570
Loan to related party	**39,040,000**	39,040,000
Cash at bank	**617,643**	4,081,942
	43,816,080	46,949,242

The financial assets exclude prepayment of **USD Nil** (2019: 226,319).

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.

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NOTES TO THE FINANCIAL STATEMENTS
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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 2020 based on contractual undiscounted payments:

Year ended 31 March 2020	**< 1 year USD**	**> 1 year USD**	**Total USD**
Loans from related parties	**-**	**34,661,760**	**34,661,760**
Loans from holding company	**-**	**1,486,257**	**1,486,257**
Amount due to fellow subsidiaries	**-**	**9,369,208**	**9,369,208**
Interest-bearing loans and borrowings	**-**	**-**	**-**
Amount due to related parties	**167,086**	**-**	**167,086**
Amount due to ultimate holding company	**-**	**-**	**-**
Other payables	**5,000**	**-**	**5,000**
	172,086	**45,517,225**	**45,689,311**

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
	18,700,320	99,869,316	118,569,636

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.

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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:	**2020**	2019
	USD	USD
Loans from related parties	**34,661,760**	51,979,261
Loans from holding company	**1,486,257**	1,531,024
Amount due to fellow subsidiaries	**9,369,208**	9,609,031
Interest-bearing loans and borrowings	**-**	55,276,235
Less cash and cash equivalents	**(617,643)**	(4,081,942)
Net debt	**44,899,582**	114,313,609
Share capital	**200**	200
Retained earnings	**208,666,981**	139,146,137
	208,667,181	139,146,337
Capital and net debt	**253,566,763**	253,459,946
Gearing ratio	**17.7%**	45.1%

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:

(a) Related parties and nature of relationship:

Name of party	**Description of relationship**
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company
Leila Lands Sdn. Bhd.	Holding Company
Britannia Brands Limited	Subsidiary
ABI Holdings Limited	Subsidiary
Baymanco Investments Limited	Related Party
Island Horti-Tech Holdings Pte Ltd	Related Party
Naira Holdings Limited	Related Party
Associated Biscuits International Limited	Fellow Subsidiary
Bannatyne Enterprises Pte Ltd	Fellow Subsidiary
Dowbiggin Enterprises Pte Ltd	Fellow Subsidiary
Nacupa Enterprises Pte Ltd	Fellow Subsidiary
Spargo Enterprises Pte Ltd	Fellow Subsidiary
Valletort Enterprises Pte Ltd	Fellow Subsidiary
IQ EQ Corporate Services (Mauritius) Ltd	Management Company

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23. Related party transactions (Continued)

(b) Transactions during the year:

31 March 2020

		Ultimate Holding Company	Holding Company	Subsidiary / Fellow Subsidiary	Related Parties /Management Company
1	**Amount paid to**				
	Associated Biscuits International Limited			**500,000**	
2	**Loans repaid to**				
	Naira Holdings Limited	-	-	-	**23,200,000**
3	**Loan received from**				
	Naira Holdings Limited	-	-	-	**(6,000,000)**
4	**Amounts received from**				
	Island Horti-Tech Holdings Pte Ltd	-	-	-	**(39,369)**
5	**Amount repaid to**				
	The Bombay Burmah Trading Corporation Limited	**33,473**			
6	**Dividend Income**				
	ABI Holdings Limited	-	-	**35,625,000**	-
	Britannia Brands Limited	-	-	**35,625,000**	-
7	**Guarantee commission**				
	The Bombay Burmah Trading Corporation Limited	**(75,076)**	-	-	-
8	**Professional Fees**				
	IQ EQ Corporate Services (Mauritius) Ltd	-	-	-	**(7,860)**
9	**Director Fees**				
	IQ EQ Corporate Services (Mauritius) Ltd	-	-	-	**(1,500)**
10	**Foreign exchange gain / (loss)**				
	Associated Biscuits International Limited	-	-	**(103,390)**	-
	Bannatyne Enterprises Pte Ltd	-	-	**58,800**	-
	Dowbiggin Enterprises Pte Ltd	-	-	**14,951**	-
	Nacupa Enterprises Pte Ltd	-	-	**46,124**	-
	Spargo Enterprises Pte Ltd	-	-	**58,843**	-
	Valletort Enterprises Pte Ltd	-	-	**56,645**	-
	ABI Holdings Limited	-	-	**(159)**	-
	Britannia Brands Limited	-	-	**(60,854)**	-
	Naira Holdings Limited	-	-	-	**117,501**
	Leila Lands Sdn. Bhd.	-	**44,767**	-	-
	Island Horti-Tech Holdings Pte Ltd				**7,895**

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23. Related party transactions (Continued)

(b) Transactions during the year (continued):

31 March 2019

		Ultimate Holding Company	Holding Company	Subsidiary / Fellow Subsidiary	Related Parties /Management Company
1	**Loans repaid to**				
	Naira Holdings Limited	-	-	-	2,500,000
2	**Loan received from**				
	Naira Holdings Limited	-	-	-	(1,100,000)
3	**Amounts received from**				
	Island Horti-Tech Holdings Pte Ltd	-	-	-	(48,040)
	The Bombay Burmah Trading Corporation Limited	(33,473)			
4	**Dividend Income**				
	ABI Holdings Limited	-	-	11,050,000	-
	Britannia Brands Limited	-	-	11,050,000	-
5	**Guarantee commission**				
	The Bombay Burmah Trading Corporation Limited	(135,776)	-	-	-
6	**Professional Fees**				
	IQ EQ Corporate Services (Mauritius) Ltd	-	-	-	(8,935)
7	**Director Fees**				
	IQ EQ Corporate Services (Mauritius) Ltd	-	-	-	(1,500)
8	**Foreign exchange gain / (loss)**				
	Associated Biscuits International Limited	-	-	(160,288)	-
	Bannatyne Enterprises Pte Ltd	-	-	92,788	-
	Dowbiggin Enterprises Pte Ltd	-	-	24,124	-
	Nacupa Enterprises Pte Ltd	-	-	72,934	-
	Spargo Enterprises Pte Ltd	-	-	92,853	-
	Valletort Enterprises Pte Ltd	-	-	89,826	-
	ABI Holdings Limited	-	-	(249)	-
	Britannia Brands Limited	-	-	(95,300)	-
	Naira Holdings Limited	-	-	-	148,506
	Leila Lands Sdn. Bhd.	-	54,837	-	-
	Island Horti-Tech Holdings Pte Ltd	-	-	-	2,708

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(c) Balances due from/to the related parties:

As at 31 March 2020

		Ultimate Holding Company	Holding Company	Subsidiary / Fellow Subsidiary	Related Parties
1	**Loan to**				
	Baymanco Investments Limited	-	-	-	**39,040,000**
	Associated Biscuits International Limited	-	-	**1,682,986**	-
2	**Amount due from**				
	Associated Biscuits International Limited	-	-	**1,199,871**	-
	Bannatyne Enterprises Pte Ltd	-	-	**15,746**	-
	Dowbiggin Enterprises Pte Ltd	-	-	**15,872**	-
	Nacupa Enterprises Pte Ltd	-	-	**15,697**	-
	Spargo Enterprises Pte Ltd	-	-	**15,714**	-
	Valletort Enterprises Pte Ltd	-	-	**24,994**	-
	ABI Holdings Limited	-	-	**3,095**	-
	Britannia Brands Limited	-	-	**1,184,462**	-
3	**Loans from**				
	Island Horti-Tech Holdings Pte Ltd	-	-	-	**1,315,148**
	Naira Holdings Limited	-	-	-	**33,346,612**
	Leila Lands Sdn. Bhd.	-	**1,486,257**	-	-
4	**Amount due to**				
	Bannatyne Enterprises Pte Ltd	-	-	**1,957,010**	-
	Dowbiggin Enterprises Pte Ltd	-	-	**1,297,648**	-
	Nacupa Enterprises Pte Ltd	-	-	**1,940,105**	-
	Spargo Enterprises Pte Ltd	-	-	**2,172,641**	-
	Valletort Enterprises Pte Ltd	-	-	**2,001,804**	-
	Island Horti-Tech Holdings Pte Ltd	-	-	-	**166,400**
	Naira Holdings Limited	-	-	-	**686**

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(c) Balances due from/to the related parties (continued) :

As at 31 March 2019

		Ultimate Holding Company	Holding Company	Subsidiary / Fellow Subsidiary	Related Parties
1	**Loan to**				
	Baymanco Investments Limited	-	-	-	39,040,000
	Associated Biscuits International Limited	-	-	1,769,454	-
2	**Amount due from**				
	Associated Biscuits International Limited	-	-	716,793	-
	Bannatyne Enterprises Pte Ltd	-	-	16,544	-
	Dowbiggin Enterprises Pte Ltd	-	-	16,676	-
	Nacupa Enterprises Pte Ltd	-	-	16,493	-
	Spargo Enterprises Pte Ltd	-	-	16,510	-
	Valletort Enterprises Pte Ltd	-	-	26,260	-
	ABI Holdings Limited	-	-	3,254	-
	Britannia Brands Limited	-	-	1,245,316	-
3	**Loans from**				
	Island Horti-Tech Holdings Pte Ltd	-	-	-	1,315,148
	Naira Holdings Limited	-	-	-	50,664,113
	Leila Lands Sdn. Bhd.	-	1,531,024	-	-
4	**Amount due to**				
	Bannatyne Enterprises Pte Ltd	-	-	2,016,608	-
	Dowbiggin Enterprises Pte Ltd	-	-	1,313,403	-
	Nacupa Enterprises Pte Ltd	-	-	1,987,025	-
	Spargo Enterprises Pte Ltd	-	-	2,232,280	-
	Valletort Enterprises Pte Ltd	-	-	2,059,715	-
	Island Horti-Tech Holdings Pte Ltd	-	-	-	134,926
	Naira Holdings Limited	-	-	-	686
	The Bombay Burmah Trading Corporation Limited	33,473	-	-	-

24. Holding and ultimate holding companies

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

25. Consolidated financial statements

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

26. Going Concern and Impact of COVID-19

On March 11, 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. There are meaningful direct and indirect effects developing with companies across multiple industries and the world.

COVID-19 has caused significant volatility within the economic markets, for which the duration and spread of outbreak and the resultant economic impact is uncertain and cannot be predicted. The directors have made an assessment of the Company’s ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but not limited to, twelve months from date of authorisation of these financial statements. Based on this assessment, no material impact is expected on the Company from COVID-19 and the directors are of the view that sufficient cash flow would be available for operations of the Company for the foreseeable future.

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 2020.