

IIML ADVISORS LLC
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

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FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS	PAGES
CORPORATE DATA	3
COMMENTARY OF DIRECTORS	4
CERTIFICATE FROM THE SECRETARY	5
INDEPENDENT AUDITORS' REPORT	6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE AUDITED FINANCIAL STATEMENTS	11-21

**IIML ADVISORS LLC
CORPORATE DATA**

		Date of appointment	Date of resignation
DIRECTORS	:		
		Mr Kapildeo Joory	10 June 2011
		Mr Shahzaad Shiraz Dalal	29 October 2015
		Ms Jihane Muhamodsaroar	10 March 2016
		Mr Zoubeir Khatib	28 March 2014
		Mrs Sateeta Jeewoolall-Jessoo	-
		Mr Mohan Roy Lawrence	2 February 2016
			-
			-
REGISTERED OFFICE	:		
		IFS Court	
		Bank Street	
		TwentyEight	
		Cybercity	
		Ebene 72201	
		Mauritius	
ADMINISTRATOR & SECRETARY	:		
		International Financial Services Limited	
		IFS Court	
		Bank Street	
		TwentyEight	
		Cybercity	
		Ebene 72201	
		Mauritius	
AUDITORS	:		
		Deloitte	
		7 th Floor, Standard Chartered Tower	
		19, Cybercity	
		Ebene	
		Mauritius	
BANKERS	:		
		HSBC Bank (Mauritius) Limited	Barclays Bank Mauritius Limited
		6 th Floor, HSBC Centre	1st Floor, Barclays House
		18, Cybercity	68-68A Cybercity
		Ebene	Ebene
		Mauritius	Mauritius

**HML ADVISORS LLC
COMMENTARY OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present the audited financial statements of HML Advisors LLC (the “Company”) for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide investment management and advisory services.

RESULTS

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes.

DIRECTORS

The present membership of the Board is set out on page 3.

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 International Financial Reporting Standards (“IFRSs”) 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR

The auditors, Deloitte, has indicated its willingness to continue in office until the next annual meeting.

CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS 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 **IIML Advisors LLC** under the Mauritius Companies Act 2001 for the year ended 31 March 2016.



**For International Financial Services Limited
Secretary**

Registered office:

IFS Court
Bank Street
TwentyEight
Cybercity
Ebene 72201
Mauritius

Date: 29 April 2016

Independent auditor's report to the shareholder of IIML Advisors LLC

This report is made solely to the Company's shareholder, as a body, in accordance with section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to the shareholder in an auditor's 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of **IIML Advisors LLC** on pages 7 to 21 which comprise the statement of financial position as at 31 March 2016 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 a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 7 to 21 give a true and fair view of the financial position of the **IIML Advisors LLC** as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Category 1 Global Business Licence companies.

Report on other legal requirements

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interests in, the company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the company as far as appears from our examination of those records.



Deloitte

Chartered Accountants

29 April 2016



Twaleb Butonkee, FCA

Licensed by FRC

IIML ADVISORS LLC
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 MARCH 2016

	Note	31 March 2016 USD	31 March 2015 USD
EXPENSES			
Professional fees		8,545	13,037
Audit fees		11,500	9,775
Licences		4,100	4,100
Other expenses		1,070	709
Receivable written off		-	18,708
Total expenses		<u>25,215</u>	<u>46,329</u>
Loss before tax		(25,215)	(46,329)
Income tax expense	5	<u>-</u>	<u>-</u>
Loss for the year		(25,215)	(46,329)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(25,215)</u></u>	<u><u>(46,329)</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements

**IIML ADVISORS LLC
STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2016**

	Notes	31 March 2016 USD	31 March 2015 USD
ASSETS			
Current assets			
Prepayments	6	1,199	1,324
Cash and cash equivalents		<u>14,324</u>	<u>37,264</u>
		<u>15,523</u>	<u>38,588</u>
Total assets		<u><u>15,523</u></u>	<u><u>38,588</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital	7	1	1
Redeemable participating shares	8	249,999	249,999
Accumulated losses		(241,227)	(216,012)
		<u>8,772</u>	<u>33,987</u>
Total equity		<u>8,773</u>	<u>33,988</u>
Current liabilities			
Accruals	9	<u>6,750</u>	<u>4,600</u>
Total equity and liabilities		<u><u>15,523</u></u>	<u><u>38,588</u></u>

Approved by the Board of Directors and authorised for issue on 29 April 2016.



Director



Director

The notes on pages 11 to 21 form an integral part of these financial statements

HIML ADVISORS LLC
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 31 MARCH 2016

	Stated capital USD	Redeemable participating shares USD	Accumulated losses USD	Total USD
At 1 April 2014	1	249,999	(169,683)	80,317
Loss and total comprehensive loss for the year	-	-	(46,329)	(46,329)
At 31 March 2015	1	249,999	(216,012)	33,988
Loss and total comprehensive loss for the year	-	-	(25,215)	(25,215)
At 31 March 2016	<u>1</u>	<u>249,999</u>	<u>(241,227)</u>	<u>8,773</u>

The notes on pages 11 to 21 form an integral part of these financial statements

HML ADVISORS LLC
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 MARCH 2016

	31 March 2016 USD	31 March 2015 USD
<i>Cash flows from operating activities</i>		
Loss before tax for the year	(25,215)	(46,329)
<i>Adjustments for:</i>		
Receivable written off	-	18,708
<i>Changes in working capital</i>		
Decrease in prepayments	125	125
Increase / (decrease) in accruals	<u>2,150</u>	<u>(3,699)</u>
Net cash flows used in operating activities	<u>(22,940)</u>	<u>(31,195)</u>
Net decrease in cash and cash equivalents	(22,940)	(31,195)
Cash and cash equivalents at beginning of the year	<u>37,264</u>	<u>68,459</u>
Cash and cash equivalents at end of the year	<u><u>14,324</u></u>	<u><u>37,264</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements

**IIML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. GENERAL

The Company was incorporated in Mauritius under the Mauritius Companies Act 2001 on 10 June 2011 as a private company with liability limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission. The Company is also licenced to act as CIS Manager pursuant to the Securities Act 2005. The Company has its registered office and its principal place of business is at IFS Court, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The Company had on 16 April 2014 entered into a Strategic Advisory Agreement with SOUQ Capital Limited an entity based in the Caymans Islands for provision of strategic advisory services in relation to a fund to be managed by the latter, namely SOUQ Infra Growth Fund L.P.

The principal activity of the Company is to provide investment management and advisory services.

The financial statements of the Company are expressed in United States Dollars ("USD"). The Company's functional currency is the USD, the currency of the primary economic environment in which the Company operates.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Company has applied all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 April 2015.

2.1 Revised Standards applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 24	Related Party Disclosures - Amendments resulting from Annual Improvements 2010-2012 Cycle (management entities)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2011-2013 Cycle (scope of the portfolio exception in paragraph 52)
IFRS 13	Fair Value Measurement - Amendments resulting from Annual Improvements 2010-2012 Cycle (Short-term receivables and payables) (Amendments to basis for conclusion only)

2.2 New and revised Standards in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated.

IAS 1	Presentation of financial statements – Amendments resulting from disclosure initiative (effective 1 January 2016)
IAS 7	Statement of Cash Flows – Amendments as a result of the Disclosure Initiative (effective 1 January 2017)
IAS 12	Income Taxes - Amended by Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018)
IFRS 7	Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs (effective 1 January 2016)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)

**IIML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

2.2 New and revised Standards in issue but not yet effective (continued)

IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)
IFRS 15	Revenue from Contracts with Customers - Original issue (Applies to an entity's first annual IFRS financial statements) (effective 1 January 2018)
IFRS 15	Clarifications to IFRS 15 'Revenue from Contracts with Customers' issued (effective 1 January 2018)

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet assessed the potential impact of the application of these amendments.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Statement of compliance

The financial statements are prepared in accordance with and comply with IFRSs.

(b) Basis of preparation

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

(c) 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 it operates (the "functional currency"). The financial statements of the Company are presented in USD, which is the functional currency of the Company.

Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of 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 the statement of profit or loss and other comprehensive income.

(d) Stated capital

Ordinary shares have voting rights and do not participate in any profit or distribution of the Company and are classified as equity.

HML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES (CONTINUED)

(e) Redeemable participating shares

As per the fundamental principle of IAS 32, a financial instrument should be classified as either a financial liability or an equity instrument according to the substance of the contract, not its legal form. The redeemable participating shares of the Company do not have a fixed maturity and there is no contractual obligation to make future payments to its holders. Accordingly, the redeemable participating shares of the Company have been classified as equity, since the redeemable participating shares shall be entitled to return of the remaining assets pro rata in proportion to their shareholding after repayment to the holders of Ordinary Shares. The redemption of the redeemable participating shares is at the option of the Company.

(f) Cash and cash equivalents

Cash comprises of currency and current deposits with banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(g) Taxation

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because it excludes items of income tax or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expect, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

IIML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES (CONTINUED)

(g) Taxation (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(iii) Current and deferred taxes for the year

Current and deferred taxes are recognised as an expense or income in the statement of profit or loss and other comprehensive income.

(h) Financial instruments

Financial instruments carried on the statement of financial position include other receivables, cash and cash equivalents and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are recognised on the statement of financial position when the Company has become party to the contractual provisions of the financial instruments.

The carrying amounts of the Company's financial instruments approximate their fair values. These instruments are measured as set out below:

(i) Financial assets

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

IIML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(i) Financial assets (continued)

Derecognition of financial assets

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Financial assets other than those at FVTPL, are assessed for indicators at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impaired loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial asset with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impaired loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

HIML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(ii) Financial liabilities and equity instruments issued by the Company

(a) Classification as debt or equity

Debt and equity instruments are classified as either equity or financial liabilities in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(c) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(d) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) Derecognition financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(i) Provisions

A provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate.

(j) Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

IIML ADVISORS LLC
 NOTES TO THE AUDITED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2016

3. ACCOUNTING POLICIES (CONTINUED)

(k) Related parties

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

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described in note 3, the directors are required to exercise judgement and also to use estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Actual results may differ as a result of changes in these estimates.

Estimations and assumptions that have a significant effect on the amounts recognised in the financial statements include:

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising are dependent on the functional currency selected. As described in Note 3, the directors have considered those factors and have determined that the functional currency of the Company is the USD.

5. TAXATION

Income tax

The Company under current laws and regulations, is liable to pay income tax at a rate of 15%. However, the Company is entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%.

The Company has received a certificate from the Mauritian Authorities and believes such certification is determinative of its resident status for treaty purposes. The Tax Residence Certificate ("TRC") is renewable each year provided some undertakings / provisions are observed. For the year under review, the Company holds a valid TRC.

At 31 March 2016, the Company had accumulated tax losses of USD208,919 (31 March 2015: USD183,704) and was therefore not liable to income tax. The tax losses are available for set off against taxable profits. No deferred tax asset has been recognised in the statement of financial position due to the improbability of future taxable profits.

	2016 USD	2015 USD
Upto the year of assessment 2017 - tax loss incurred in 2012	95,327	95,327
Upto the year of assessment 2018 - tax loss incurred in 2013	30,077	30,077
Upto the year of assessment 2019 - tax loss incurred in 2014	30,679	30,679
Upto the year of assessment 2020 - tax loss incurred in 2015	27,621	27,621
Upto the year of assessment 2021/22 - tax loss incurred in 2016	25,215	-
	<u>208,919</u>	<u>183,704</u>

HML ADVISORS LLC
 NOTES TO THE AUDITED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2016

6. PREPAYMENTS

	2016	2015
	USD	USD
Prepayments	<u>1,199</u>	<u>1,324</u>

7. STATED CAPITAL

	2016	2015	2016	2015
	Number	Number	USD	USD
<i>Issued</i>				
1 ordinary share of USD1	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The ordinary share is not entitled to receive any dividend or distribution. The ordinary share of the Company is entitled to vote on any matter to be considered by the shareholder generally. On winding up of the Company, the holder of ordinary share shall be entitled to return of only the paid up value per ordinary share.

8. REDEEMABLE PARTICIPATING SHARES

	2016	2015	2016	2015
	Number	Number	USD	USD
At start and end of year	<u>24,999,900</u>	<u>24,999,900</u>	<u>249,999</u>	<u>249,999</u>

The redeemable participating shares are entitled to receive notice of and to attend Shareholders' Meetings generally and separate class meetings of the Redeemable Participating Shares, but no right to vote on any matters to be considered by the shareholders generally. On winding up of the Company, the holders of Redeemable Participating Shares shall be entitled to return of the remaining assets pro rata in proportion to their shareholding after repayment to the holders of Ordinary Shares. The redeemable participating shares are redeemable at the option of Company.

A dividend may be authorised and declared by the Board at such time and such amount as it thinks fit.

9. ACCRUALS

	2016	2015
	USD	USD
Accruals	<u>6,750</u>	<u>4,600</u>

**IIML ADVISORS LLC
NOTES TO THE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. FINANCIAL INSTRUMENTS

10.1 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. As part of its capital risk management policies, the Company reviews the capital structure to ensure that it has an appropriate portion of net debt to equity.

The capital structure of the Company consists of stated capital, redeemable participating shares and reserves.

10.2 Categories of financial instruments

	2016	2015
	USD	USD
Financial assets		
Cash and cash equivalents	<u>14,324</u>	<u>37,264</u>
	2016	2015
	USD	USD
Financial liabilities		
Accruals	<u>6,750</u>	<u>4,600</u>

10.3 Currency risk

The Company's financial assets and liabilities are denominated in USD and most transactions are made in USD. As such, changes in exchange rates do not have significant impact on the Company's profit or loss and equity.

10.4 Currency profile

The Company's financial assets and liabilities are summarised as follows:

	Financial assets		Financial liabilities	
	2016	2015	2016	2015
	USD	USD	USD	USD
USD	<u>14,324</u>	<u>37,264</u>	<u>6,750</u>	<u>4,600</u>

IIML ADVISORS LLC
 NOTES TO THE AUDITED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2016

10. FINANCIAL INSTRUMENTS (CONTINUED)

10.4 *Currency profile (continued)*

Credit risk

Credit risk refers to the risk a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a policy of only dealing with credit counterparties as a means of mitigating the risk of financial loss from defaults.

Financial assets that potentially expose the Company to credit risk consist principally of cash balances and loan receivable. The extent of the Company's exposure to credit risk in respect of these financial assets approximates their carrying values as recorded in the Company's statement of financial position.

The bank balance is held with a reputable financial institution, thus the credit risk is minimal.

10.5 *Interest rate risk*

The Company is not exposed to interest rate risk as there are no interest bearing financial assets and financial liabilities. No interest income has been earned for the year ended 31 March 2016.

10.6 *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

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.

The maturity profile of the financial instruments is summarised as follows:

	31 March 2016	
	Less than 1 month USD	Total USD
Financial assets		
Cash and cash equivalents	<u>14,324</u>	<u>14,324</u>
Financial liabilities		
Other accruals	<u>6,750</u>	<u>6,750</u>

HML ADVISORS LLC
 NOTES TO THE AUDITED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2016

10. FINANCIAL INSTRUMENTS (CONTINUED)

10.6 Liquidity risk (continued)

	31 March 2015	
	Less than 1 month	Total
	USD	USD
Financial assets		
Cash and cash equivalents	<u>37,264</u>	<u>37,264</u>
Financial liabilities		
Other accruals	<u>4,600</u>	<u>4,600</u>

Fair values

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values due to the short-term nature of the balances involved.

11. RELATED PARTY TRANSACTIONS

During the year, the Company transacted with certain related parties. Details of the nature, volume of transactions and balances with the related parties are as follows:

Name of related party	Relationship	Nature of transactions	Volume of transactions		Balances as at	
			2016	2015	2016	2015
			USD	USD	USD	USD
International Financial Services Limited	Administrator	Professional and directors' fees	8,545	12,037	(2,125)	125

12. HOLDING COMPANY

The Company is a wholly owned subsidiary of IL&FS Investment Managers Limited, a company incorporated in India.