

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS SRINEL HOLDINGS LIMITED**

This report is made solely to the members of the Company, 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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have carried out a special purpose audit of the Consolidated Financial Statements of **Srinel Holdings Limited**, (the "Company") and its subsidiaries (together referred to as the "Group") on pages 03 to 14 which comprise the consolidated statement of financial position at 31st March 2017 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes of significant accounting policies and other explanatory notes.

Director's Responsibilities for the Financial Statements

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. The Responsibilities include : designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 auditors consider internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not 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 made by the directors, 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 03 to 14 give a true and fair view of the financial position of the Company at 31st March 2017 and of its financial performance and its cash flow for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritius Companies Act 2001.

Other Matter

The financial statements of **Srinel Holdings Limited** for the year ended March 31, 2016, were audited by another auditor who expressed an unmodified opinion on those statements on January 27, 2017.

Report on Other Legal and Regulatory Requirements

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

- a) We have no relationship with, or interests in, the Company other than in our capacity as auditor,
- b) We have obtained all information and explanation that we have required; and
- c) Our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.


Chartered Accountants
Date: 05/07/2017
Colombo 02.



SRINEL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2017

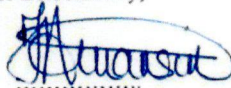
	Note	Group		Company	
		2017 USD	2016 USD	2017 USD	2016 USD
Revenue		-	-	-	-
Cost of Sales		-	-	-	-
Gross Profit		-	-	-	-
Other Income		24	-	24	-
Administrative Expenses		(189,907)	(81,588)	(132,368)	(31,868)
Finance & Other Cost		-	(1)	-	-
Loss before Taxation		(189,907)	(81,589)	(132,343)	(31,868)
Income Tax Expense	5	-	-	-	-
Loss for the Year		(189,907)	(81,589)	(132,343)	(31,868)
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		(189,907)	(81,589)	(132,343)	(31,868)
Total Comprehensive Income attributable to					
-owners of the company		(189,907)	(81,589)	(132,343)	(31,868)
-Non Controlling interest		-	-	-	-
		(189,907)	(81,589)	(132,343)	(31,868)
Loss Per Share (Basic)	6	(18,991)	(8,159)	(13,234)	(3,187)

The above statement of comprehensive income is to be read in conjunction with the accounting policies and notes to the financial statements appear on page 7 to 14 which form an integral part of these financial statements

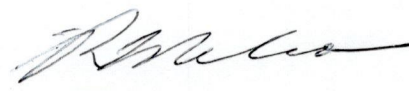
SRINEL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

		Group		Company	
	Note	2017 USD	2016 USD	2017 USD	2016 USD
Assets					
Non Current Assets					
Exploration & Evaluation Assets		26,731	-	-	-
Investment in Subsidiaries	7	-	-	2,908	2,908
Intangible Assets		56,078	56,078	-	-
Other Investments	8	30,040	-	30,040	-
		112,848	56,078	32,948	2,908
Current Assets					
Trade & Other Receivable	9	33	33	33	32
Amount Due from Related Parties	10	10,050	-	10,050	-
Cash & Cash Equivalent	11	181	14	167	-
		10,263	47	10,250	32
Total Assets		123,111	56,125	43,197	2,940
Equity & Liabilities					
Capital & Reserves					
Stated Capital	12	100	100	100	100
Advance Toward Shares		52,600	-	52,600	-
Accumulated Loss		(206,333)	(16,426)	(177,536)	(45,193)
Retranslation Reserve		2,021	992	-	-
Total Equity		(151,612)	(15,334)	(124,836)	(45,093)
Non Current Liability					
Loan From Shareholders	13	94,850	37,193	6,533	18,033
		94,850	37,193	6,533	18,033
Current Liabilities					
Trade & Other Payables	14	168,373	34,266	150,000	30,000
Amount Due to Related Parties	15	11,500	-	11,500	-
		179,873	34,266	161,500	30,000
Total Equity & Liability		123,111	56,125	43,197	2,940

Approved and signed on behalf of the Board of Directors by;



Director



Director

The accounting policies and notes appearing on pages from 7 to 14 form an integral part of these consolidated financial statements.

Ebene

Date: July 5, 2017

SRINEL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2017

Group

	<u>Stated</u> <u>Capital</u>	<u>Advance</u> <u>Towards</u> <u>Share</u>	<u>Retranslation</u> <u>Reserve</u>	<u>Accumulated</u> <u>Loss</u>	<u>Total</u>
	USD	USD	USD	USD	USD
Opening Balance as at 1/4/2015	100	-	(725)	(45,971)	(46,596)
Retranslation effect for the year	-	-	1,717	-	1,717
Relinquishment of Liabilities	-	-	-	111,133	111,133
Loss for the Year	-	-	-	(81,589)	(81,589)
Closing Balance as at 31/3/2016	100	-	992	(16,426)	(15,334)
Opening Balance as at 1/4/2016	100	-	992	(16,426)	(15,334)
Retranslation effect for the year	-	-	1,029	-	1,029
Advance Towards Share Capital	-	52,600	-	-	52,600
Loss for the Year	-	-	-	(189,907)	(189,907)
Closing Balance as at 31/3/2017	100	52,600	2,021	(206,333)	(151,612)

Company

	<u>Stated</u> <u>Capital</u>	<u>Advance</u> <u>Towards</u>	<u>Retranslation</u> <u>Reserve</u>	<u>Accumulated</u> <u>Loss</u>	<u>Total</u>
	USD	USD	USD	USD	USD
Opening Balance as at 1/4/2015	100	-	-	(13,325)	(13,225)
Loss for the Year	-	-	-	(31,868)	(31,868)
Closing Balance as at 31/3/2016	100	-	-	(45,193)	(45,093)
Opening Balance as at 1/4/2016	100	-	-	(45,193)	(45,093)
Advance Towards Share Capital	-	52,600	-	-	52,600
Loss for the Year	-	-	-	(132,343)	(132,343)
Closing Balance as at 31/3/2017	100	52,600	-	(177,536)	(124,836)

SRINEL HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	Group		Company	
	2017	2016	2017	2016
	Rs.	Rs.	Rs.	Rs.
<u>Cash Flow from Operating Activities</u>				
Loss Before Taxation	(189,907)	(81,589)	(132,343)	(31,868)
<u>Adjustment for</u>				
Depreciation	-	25,636	-	-
Decrease in Retranslation Reserve	1,029	-	-	-
Amortization Goodwill	-	5,270	-	-
Foreign Exchange Gain	-	(557)	-	-
Operating Cash Flows Before Changes in Working Capital	(188,878)	(51,240)	(132,343)	(31,868)
<u>Changes in Working Capital</u>				
Increase in Trade & Other Receivable	-	(33)	-	(32)
Increase in Trade & Other Payables	134,107	(113,015)	120,000	30,000
Increase in Related Parties	1,450	14,518	(10,050)	1,908
	135,557	(98,530)	109,950	31,876
Net Cash Flow Generated from / (Used to) Operating Activities	(53,321)	(149,770)	(22,393)	8
<u>Cash Flow from Investing Activities</u>				
Cost Incurred on Exploration & Evaluation Assets	(26,731)	-	-	-
Acquisition of Other Investments	(30,040)	-	(30,040)	-
Investment in Subsidiaries	-	-	-	(8)
Disposal of Property Plant & Equipment	-	174,601	-	-
Intangible Assets	-	(24,833)	-	-
	(56,770)	149,768	(30,040)	(8)
<u>Cash Flow from Financing Activities</u>				
Advance received for future capitalization	52,600	-	52,600	-
Loan Received	57,657	-	-	-
	110,258	-	52,600	-
Net Cash & Cash Equivalents for the Period	167	(2)	167	-
Cash & Cash Equivalents At the Beginning of the period	14	16	-	-
Cash & Cash Equivalents at the End of the period	181	14	167	-
<u>Analysis of Cash & Cash Equivalents shown in the Balance Sheet</u>				
Cash in Hand	181	14	167	-
	181	14	167	-

**SRINEL HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017**

1. LEGAL FORM AND ACTIVITY

Srinel Holdings Limited, the "Company", was incorporated on 21 June 2012 in the Republic of Mauritius on under the Companies Act 2001 as a private company with liability limited by shares and holds a Category 2 Global Business License Issued by the Financial Services Commission. The, Company's registered office is at C/O Vuna Capital Trustees (Mauritius) Limited, Level 10, Tower 1, Nexteracom Building, Cyberity, Ebene, Republic of Mauritius.

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

2. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below.

The preparation of financial statements in accordance with International Financial Reporting Standards "IFRS" requires management to make certain assumptions and estimates that affect the reported amounts of assets and liabilities, revenues and expenses and the contingent liabilities. Actual amounts could in certain cases differ from those assumptions and estimates. Changes are taken into account with statement of profit or loss and other comprehensive income effect if new information comes to light.

Critical accounting estimates and judgements in applying accounting policies

Estimates and judgements are continually evaluated and are based on past experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. At the date of statement of financial position, there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Basis of preparation

The consolidated financial statements are in accordance and comply with "IFRS" and under the historical cost convention.

(b) foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated 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 are presented in "USD", which is the Company's functional and presentation currency.

(ii) Transactions and balances

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

(c) Group Companies

The assets and liabilities of foreign operations are translated into "USD" at the rate of exchange prevailing at the reporting date and their statement of comprehensive income is translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of comprehensive income.

(i) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The results of subsidiaries acquired or dispose of during the year are included in the consolidated statement of comprehensive income. All significant inter group balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. The consolidated financial statements have been prepared in accordance with the purchase method. Goodwill on acquisition is capitalised and reviewed annually for any impairment.

The consolidated financial statements have been prepared using the following assumptions:

- 1) Income statement items are converted at an average Sri Lankan Rupee to USD rate.
- 2) Income and expenses of the subsidiaries have been assumed to be incurred equally over the period of the financial statements.

(ii) Subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. In the Company's statement of financial position, the investments in subsidiaries are stated at cost less provision for impairment losses.

(iii) Impairment of investment in subsidiaries

Investment in subsidiary is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and the circumstances and events leading to the impairment cease to exist. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversal of impairment loss is credited to the statement of comprehensive income.

(d) Trade and other receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end, had debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss and other comprehensive income.

(e) Deferred tax

Deferred tax is provided for, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable income is available against which the temporary differences can be utilized.

(f) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash at bank and net of bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(g) Revenue recognition

Revenue is recognised when the right to receive payment is established and interest income is recognised in the statement of comprehensive income as interest accrues. Revenue is reduced for estimated customer returns, rebates and similar other allowances.

(h) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(i) Impairment of assets

The carrying amount of assets is assessed at each statement of financial position date to determine whether there is any indication of impairment. When there is an indication of an impairment loss, the carrying amount of the asset is assessed and written down to its recoverable amount.

(j) Equity

Share capital is determined using the nominal value of shares that have been issued.

Revenue reserves include all current and prior year results as disclosed in the statements of profit or loss and other comprehensive income.

(k) 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 on the other party in making financial and operating policy decisions.

(I) De-recognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

(m) De-recognition of financial liabilities

The company derecognizes financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

(n) Trade and other payables

Trade and other payables are stated at their nominal values.

(o) Comparatives

Where applicable, comparatives have been changed. to conform with changes in presentation of the current year.

3. FINANCIAL RISK MANAGEMENT**3.1. Financial risk factors**

The Company's activities expose it to a variety of financial risks, market risk (including foreign exchange risks, and interest rates risks), credit risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a)Market risk**(i) Foreign exchange risk**

The Company has all its assets and liabilities denominated in "USD". Hence it is not exposed to the risk of adverse movements in the exchange rate of the "USD" relative to other currencies

(ii) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates and hence faces limited interest rate risk.

(b) Credit risk

The Company has no significant concentrations of credit risk.

(c) Liquidity risk

Liquidity risk is managed by maintaining sufficient cash and by ensuring the availability of funding through committed credit facilities and the ability to close out market position.

3.2. Capital risk management and policies

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to provide adequate returns to its shareholder.

In order to properly manage the capital structure, the Company may adjust the amount of dividends paid to its shareholder.

3.3. Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Company's financial assets and liabilities concern loans, trade and other receivables, cash and cash equivalents and trade and other payables and the carrying amounts of these financial assets and liabilities approximate their fair values.

SRINEL HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

4. LOSS BEFORE TAXATION

Loss from operations is stated after charging all the expenses including the followings:

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Auditors Remuneration	1,232	938	852	521

5. TAXATION

The Company is tax exempt in Mauritius and therefore not liable to tax in Mauritius.

Reconciliation of accounting losses to tax losses

	Company	Company
	2017	2016
	USD	USD
Loss for the year before taxation	(132,343)	(31,868)
Add: Disallowable expenses	-	-
Less: Deductible expenses	-	-
Tax losses for the year	<u>(132,343)</u>	<u>(31,868)</u>

6. LOSS PER SHARE (BASIC)

Basic loss per share is calculated by dividing the net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the Basic Loss Per Share computations.

	Group		Company	
	2017	2016	2017	2016
Profit Attributable to Ordinary Shareholders	(189,907)	(81,589)	(132,343)	(31,868)
Number of Ordinary Shares used as the denominator:	2017	2016	2017	2016
Ordinary shares in issue at the beginning of the year	10	10	10	10
Effects of New Share issue during the period	-	-	-	-
Weighted average number of ordinary shares in issue applicable to basic earnings per share	10	10	10	10
Basic Earnings/(Loss) per share	<u>(18,991)</u>	<u>(8,159)</u>	<u>(13,234)</u>	<u>(3,187)</u>

7. INVESTMENT IN SUBSIDIARIES

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Investment in Subsidiaries	-	-	2,908	2,908
	<u>-</u>	<u>-</u>	<u>2,908</u>	<u>2,908</u>

The details of the investment held are as follows;

Name of subsidiaries	Country Incorporati	Type of Shares held	% Holding
Sinha Lanka Investments (Pvt) Ltd	Sri Lanka	Equity	100%
Kilsythe Investments (Pvt) Ltd	Sri Lanka	Equity	100%

SRINEL HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

8. OTHER INVESTMENTS

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Other Investments	30,040	-	30,040	-
	<u>30,040</u>	<u>-</u>	<u>30,040</u>	<u>-</u>

9. TRADE & OTHER RECEIVABLE

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Amount Due from Related Parties		-		-
Other Receivable	33	33	33	32
	<u>33</u>	<u>33</u>	<u>33</u>	<u>32</u>

10. AMOUNT DUE FROM RELATED PARTIES

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Amount Due from Related Parties	10,050	-	10,050	-
	<u>10,050</u>	<u>-</u>	<u>10,050</u>	<u>-</u>

11. CASH & CASH EQUIVALENCES.

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Cash & Cash Equivalences.	181	14	167	-
	<u>181</u>	<u>14</u>	<u>167</u>	<u>-</u>

12. STATED CAPITAL

	Group		Company	
	2017	2016	2017	2016
	<u>Value of</u> <u>Shares</u>	<u>Value of</u> <u>Shares</u>	<u>Value of</u> <u>Shares</u>	<u>Value of</u> <u>Shares</u>
Issued and fully paid shares	100	100	100	100
Advance Received for Future Capitalization	52,600	-	52,600	-
	<u>52,700</u>	<u>100</u>	<u>52,700</u>	<u>100</u>

13. NON CURRENT LIABILITIES

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Advance From Subsidiaries	89,051	31,287	6,533	18,033
Loan From Directors	5,799	5,906		
	<u>94,850</u>	<u>37,193</u>	<u>6,533</u>	<u>18,033</u>

SRINEL HOLDINGS LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

14. TRADE & OTHER PAYABLES

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Accounts Payable	168,373	34,266	150,000	30,000
	<u>168,373</u>	<u>34,266</u>	<u>150,000</u>	<u>30,000</u>

15. AMOUNT DUE TO RELATED PARTIES

	Group		Company	
	2017	2016	2017	2016
	USD	USD	USD	USD
Advance from Willies	11,500	-	11,500	-
	<u>11,500</u>	<u>-</u>	<u>11,500</u>	<u>-</u>

16. RELATED PARTY TRANSACTIONS

			Group		Company	
			2017	2016	2017	2016
			USD	USD	USD	USD
Name of the Related Parties	Relationship	Type of transactions				
Shareholders	Shareholders	Loan Received	94,850	37,193	6,533	18,033
Vuna Investment (Pvt) Ltd	Common Directors	Loan granted	10,050	-	10,050	-
			<u>104,900</u>	<u>37,193</u>	<u>16,583</u>	<u>18,033</u>

The Amount Payable to Shareholder is unsecured, interest free and without any fixed repayment term.

17. CAPITAL COMMITMENTS

The Company had no material Capital commitments at 31st March 2017

18. HOLDING COMPANY

The Directors Consider Srinel Holdings Limited, a company incorporated in Mauritius, as the holding company of the Srinel Group.

19. CONTINGENT LIABILITIES

At 31 March 2017, the Company had no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations

20. EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period, which would require disclosure or adjustment to the financial statements at 31st March 2017