



AUDITORS REPORT

TO THE BOARD OF DIRECTORS OF HSIL LTD.

We have verified the accompanying financial statements of HALIS INTERNATIONAL LIMITED, expressed in INR, which comprises of Balance Sheet as at 31st March, 2018 and also the Profit & Loss Account & Cash flow Statement of the Company for the year ended on that date, duly converted into IND AS and we have signed under reference to this certificate.

The conversion has been done by the management of HSIL LTD. ("the Company") being the holding company of Halis International Limited ("the subsidiary"), in accordance with generally accepted accounting practice in India and other recognized accounting practices and policies followed by the Company to enable their incorporation in the consolidated financial statements of the Company pursuant to IND AS 27- Consolidated & Separate Financial Statements – prescribed by the Central Government of India.

The conversion of these financial statements into the relevant formats is the responsibility of the management of the Company. Our responsibility is to certify whether these financial statements and relevant formats prepared for the purpose outlined above and verified by us are accurate and in accordance with the generally accepted auditing standards in India.

The management of the company has considered the operation of its subsidiary as "Non Integral Foreign Operation" and accounting treatment for the conversion of subsidiary's financial statements has been done as set out in the IND AS – 21 "The effects of changes in the Foreign Exchange Rates" prescribed by the Central Government of India.

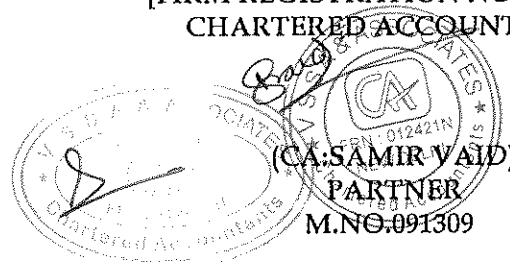
Based on our verification and on the basis of information and explanations given to us, the accompanying converted financial statements and relevant formats of the Subsidiary read with notes thereon and attached thereto have been converted as per the requirements of IND AS - 21 and are in conformity with generally accounting principles and other recognized accounting practices and policies in India.

This certificate is intended solely for the information and use of the Company and its statutory auditors in connection with their audit of consolidated financial statements of Company. We do not accept or assume any liability or duty of care for any other purposes or to any third parties to whom the certificate is shown, or into whose hands it may come, save where expressly agreed by our prior consent in writing.

For V S S A & ASSOCIATES
[FIRM REGISTRATION NO 012421N]
CHARTERED ACCOUNTANTS

NEW DELHI.

DATED: 14-05-2018



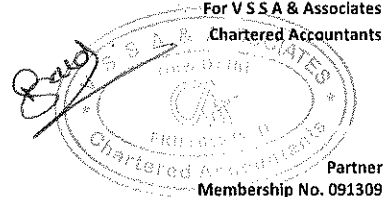
HALIS INTERNATIONAL LIMITED
Balance sheet as at 31 March 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		INR	USD	INR	USD
A					
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment		-	-	-	-
(b) Capital work-in-progress		-	-	-	-
(c) Goodwill		-	-	-	-
(d) Other intangible assets		-	-	-	-
(e) Financial assets		-	-	-	-
(f) Investments	2	2,247,559	40,653	15,894,456	304,404
(ii) Loans		-	-	-	-
(iii) Other financial assets		-	-	-	-
(f) Other non-current assets		-	-	-	-
Total non-current assets		2,247,559	40,653	15,894,456	304,404
2 Current assets					
(a) Inventories		-	-	-	-
(b) Financial assets		-	-	-	-
(i) Trade receivables		-	-	-	-
(ii) Cash and cash equivalents	3	1,869,107	28,736	28,856	445
(iii) Bank balances other than (ii) above		-	-	-	-
(iv) Loans	4	244,111	3,753	122,804	1,894
(v) Other financial assets		-	-	-	-
(c) Other current assets		-	-	-	-
Total current assets		2,113,218	32,489	151,660	2,339
Total assets (1+2)		4,360,777	73,142	16,046,116	306,743
B					
EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share capital	5(a)	189,418,290	3,652,000	186,247,990	3,603,000
(b) Other Equity	5(b)	(185,155,079)	(3,580,358)	(170,299,132)	(3,297,757)
Total equity		4,263,211	71,642	15,948,858	305,243
Liabilities					
2 Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings		-	-	-	-
(ii) Trade payables		-	-	-	-
(ii) Other financial liabilities measured at amortised cost		-	-	-	-
(b) Provisions		-	-	-	-
(c) Deferred tax liabilities (Net)		-	-	-	-
(d) Other non-current liabilities		-	-	-	-
Total non-current liabilities		-	-	-	-
3 Current liabilities					
(a) Financial liabilities					
(i) Borrowings		-	-	-	-
(ii) Trade payables		-	-	-	-
(iii) Other financial liabilities (other than those specified in item (a)(iii)) measured at amortised cost	6	97,566	1,500	97,258	1,500
(b) Other current liabilities		-	-	-	-
(c) Provisions		-	-	-	-
(d) Current tax liabilities (Net)		-	-	-	-
Total current liabilities		97,566	1,500	97,258	1,500
Total equity and liabilities (1+2+3)		4,360,777	73,142	16,046,116	306,743

See accompanying notes to the financial statements

Dated : 14 May 2018
New Delhi

As per our report of even date
For V S S A & Associates
Chartered Accountants



Partner
Membership No. 091309

HALIS INTERNATIONAL LIMITED
Statement of profit and loss for the year ended 31 March 2018

Particulars	Note no.	Year ended 31 March 2018		Year ended 31 March 2017	
		INR	USD	INR	USD
Continuing operations					
I Revenue from operations		-	-	-	-
II Other income		-	-	-	-
III Total revenue (I + II)		-	-	-	-
IV Expenses					
Cost of materials consumed		-	-	-	-
Changes in stock of finished goods, work-in-progress and stock-in-trade		-	-	-	-
Employee benefits expense		-	-	-	-
Finance costs		8,572	133	-	-
Depreciation and amortisation expense		-	-	-	-
Other expenses	7	561,724	8,716	576,296	8,590
Total expenses (IV)		570,295	8,849	576,296	8,590
V Profit/(loss) before exceptional items and tax (III - IV)		(570,295)	(8,849)	(576,296)	(8,590)
Exceptional items	8	(14,293,962)	(273,752)	-	-
VI Share of profit / (loss) of joint ventures and associates		-	-	-	-
VII Profit/(loss) before tax		(14,864,257)	(282,601)	(576,296)	(8,590)
VIII Tax expense					
(1) Current tax		-	-	-	-
(2) Deferred tax		-	-	-	-
Total tax expense (VIII)		-	-	-	-
IX Profit/(loss) after tax (VII - VIII)		(14,864,257)	(282,601)	(576,296)	(8,590)
X Other comprehensive income					
A (i) Items that will not be reclassified to profit or loss		-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
B (i) Items that may be reclassified to profit or loss		-	-	-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-	-	-
Total tax expense (X)		-	-	-	-
XI Total comprehensive income for the period (IX+X)		(14,864,257)	(282,601)	(576,296)	(8,590)

See accompanying notes to the financial statements

Dated : 14 May 2018
New Delhi

As per our report of even date
For V S S A & Associates
Chartered Accountants
Partner
Membership No. 091309

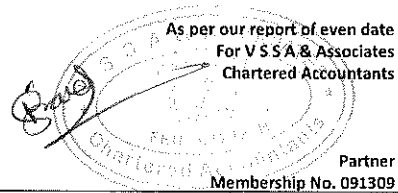
HALIS INTERNATIONAL LIMITED

Cash flow statement for the year ended 31 March 2018

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
	INR	INR
Cash flows from operating activities		
Profit before tax	(14,864,257)	(576,296)
Adjustments for:		
Impairment losses	-	-
Net foreign exchange (gain)/loss	8,309	1,161
	(14,855,948)	(575,136)
Movements in working capital:		
Increase in trade and other receivables	(121,307)	(6,523)
Decrease in trade and other payables	308	(2,241)
	(120,998)	(8,764)
Cash generated from operations	(14,976,946)	(583,900)
Income taxes paid	-	-
Net cash generated by operating activities	(14,976,946)	(583,900)
Cash flows from investing activities:		
Purchase of investments	13,646,897	(1,007,250)
Net cash (used in)/generated by investing activities	13,646,897	(1,007,250)
	(1,330,049)	(1,591,150)
Cash flows from financing activities:		
Proceeds from borrowings	-	-
Proceeds from Issue of Share Capital	3,170,300	1,343,000
Net cash used in financing activities	3,170,300	1,343,000
	1,840,251	(248,150)
Net increase in cash and cash equivalents:		
Cash and cash equivalents at the beginning of the year	28,856	277,007
	28,856	277,007
Cash and cash equivalents at the end of the year	1,869,107	28,856

This is the cashflow referred to in our report of even date.
See accompanying notes to the financial statements

As per our report of even date
For V S S A & Associates
Chartered Accountants



Partner
Membership No. 091309

Dated : 14 May 2018
New Delhi

HALIS INTERNATIONAL LIMITED
Note 2- Non current investment

Particulars	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
Investments Carried at:				
Investments carried at fair value (unquoted)				
Investments in Equity Instruments				
- of Subsidiaries				
Opening balance	15,894,456	304,404	14,887,206	289,404
Add: Addition during the year	647,065	10,001	1,007,250	15,000
Less: Provision for impairment	14,293,962	273,752	-	-
Total investments carrying value	2,247,559	40,653	15,894,456	304,404

Note 3 - Other Current assets (unsecured, considered good unless otherwise stated)	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
Other current assets				
(i) Prepayments	244,111	3,753	-	-
(ii) Advance recoverable in cash or in kind	-	-	122,804	1,894
TOTAL	244,111	3,753	122,804	1,894

Note 4 - Cash and bank balances	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
Current Cash and bank balances				
(a) Balances with banks	1,869,107	28,736	28,856	445
Total cash and cash equivalent	1,869,107	28,736	28,856	445

HALIS INTERNATIONAL LIMITED

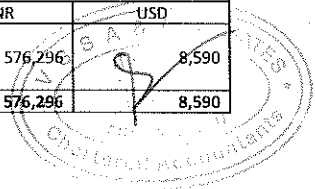
Note 5(a) Statement of changes in equity for the year ended 31 March 2018	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
a. Share capital				
Opening balance	186,247,990	3,603,000	184,904,990	3,583,000
Changes in equity share capital during the year	3,170,300	49,000	1,343,000	20,000
Closing balance	189,418,290	3,652,000	186,247,990	3,603,000

Note 8(b) - Other equity	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Reserves and surplus				
Foreign currency translation reserve				
Opening balance	(268,511)	-	(269,672)	-
Changes during the year	8,309	-	1,161	-
Closing balance	(260,202)	-	(268,511)	-
Retained earning				
Opening balance	(170,030,620)	(3,297,757)	(169,454,324)	(3,289,167)
Changes during the year	(14,864,257)	(282,601)	(576,296)	(8,590)
Closing balance	(184,894,877)	(3,580,358)	(170,030,620)	(3,297,757)
Other comprehensive income for the year (net of income tax)	-	-	-	-
Total comprehensive income for the year	(184,894,877)	(3,580,358)	(170,030,620)	(3,297,757)
Total other equity	(185,155,079)	(3,580,358)	(170,299,132)	(3,297,757)

Note 6 - Other financial liabilities	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
Current				
Others				
(1) Creditors for expenses payable	97,566	1,500	97,258	1,500
(2) Other liabilities	-	-	-	-
Total other financial liabilities	97,566	1,500	97,258	1,500

Note no. 7 Exceptional item	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
Impairment losses	(14,293,962)	(273,752)	-	-
	(14,293,962)	(273,752)	-	-

Note 8 Other expenses	As at 31 March 2018		As at 31 March 2017	
	INR	USD	INR	USD
Miscellaneous expenses	561,724	8,716	576,296	8,590
	561,724	8,716	576,296	8,590



HALIS INTERNATIONAL LIMITED

SCHEDULE - A

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 2018

1. NATURE OF OPERATIONS

Halis International Limited incorporated at Mauritius, is a wholly owned subsidiary of HSIL Limited and is engaged mainly in the business of holding investments.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Methodology:

- i) The Financial Statements are prepared on historical cost basis.
- ii) The Organization follows the accrual method of accounting.

b) Investments

Investments are stated at cost less impairment in value, if any.

c). Foreign Exchange Transactions:

In translating the financial statements of non-integral foreign operation for incorporation in financial statements

- (a) the assets and liabilities, monetary items, are translated at the closing rate;
- (b) non-monetary items are translated at the rates prevailing on the date of transaction;
- (c) income and expense items are translated at average exchange rates prevailing during the year;
- (d) all resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of the net investment and shown in the balance sheet.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognized as income or as expenses in the same period in which the gain or loss on disposal is recognized.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of change in the classification.

For V S S A & ASSOCIATES
CHARTERED ACCOUNTANTS

DATE: 14-05-2018
PLACE: New Delhi

