



**SAPRA & KALRA**  
CHARTERED ACCOUNTANTS

**SAMIR VAID**  
B. Com. (Hons), F.C.A.

**ASHISH SAPRA**  
B. Com. (Hons), F.C.A.

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## AUDITORS REPORT

TO THE BOARD OF DIRECTORS OF HSIL LTD.

We have verified the accompanying financial statements of KS 615 LIMITED (FORMERLY KNOWN AS BARWOOD PRODUCTS LIMITED), expressed in INR, which comprises of Balance Sheet as at 31<sup>st</sup> March, 2016 and also the Profit & Loss Account & Cash flow Statement of the Company for the same period, duly converted into Indian GAAP as per the requirements of the Companies Act, 2013 and in compliance with The Companies (Accounting Standard) Rules 2006 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 KS 615 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 Accounting Standards 21- Consolidated Financial Statements – prescribed by the Central Government of India in The Companies (Accounting Standards) Rules, 2006.

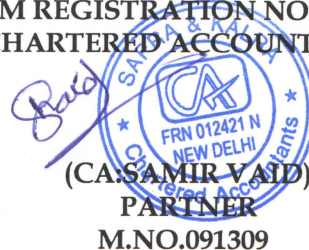
The conversion of these financial statements into the relevant formats is the responsibility of the management of the Company. Our responsibility is to certify whether these financial statements and relevant formats prepared for the purpose outlined above and verified by us are accurate and in accordance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

The management of the company has considered the operation of its subsidiary as "Integral Foreign Operation" and accounting treatment for the conversion of subsidiary's financial statements has been done as set out in the Accounting standard – 11 "The effects of changes in the Foreign Exchange Rates" prescribed by the Central Government of India in The Companies (Accounting Standards) Rules 2006.

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 Accounting standard -11 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 SAPRA & KALRA  
[FIRM REGISTRATION NO 012421N]  
CHARTERED ACCOUNTANTS



NEW DELHI.

DATED: 19/05/2016

(CA: SAMIR VAID)  
PARTNER  
M.NO.091309

KS 615 LIMITED  
BALANCE SHEET AS AT 31-03-2016

NOTE	AS AT 3/31/2016 RS.	AS AT 3/31/2016 GBP	AS AT 31-03-2015 RS.	AS AT 31-03-2015 GBP
<b>EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) SHARE CAPITAL & PREMIUM	66016027	750001	66016027	750001
(b) RESERVES AND SURPLUS	(51082240)	(610086)	(57818257)	(676469)
(c) FOREIGN TRANSLATION RESERVE	(1634110)		(2708354)	
	13299678	139915	5489416	73532
<b>2. SHARE APPLICATION MONEY PENDING ALLOTMENT</b>				
<b>3. NON-CURRENT LIABILITIES</b>				
(a) LONG - TERM BORROWINGS	-	-	(0)	-
(b) DEFERRED TAX LIABILITIES (NET)	-	-	-	-
<b>4. CURRENT LIABILITIES</b>				
(a) SHORT - TERM BORROWINGS	1066247	10533	50444668	545589
(b) TRADE PAYABLE	10441350	109807	30858594	333754
(c) OTHER CURRENT LIABILITIES	369132	3882	4094089	44280
(d) SHORT TERM PROVISIONS	2277553	23952	1620808	17530
	14094282	148174	87018159	941153
<b>TOTAL</b>	<b>27393960</b>	<b>288089</b>	<b>92507576</b>	<b>1014685</b>
<b>ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) FIXED ASSETS	0	0	3603528	53135
(i) TANGIBLE ASSETS				
<b>2. CURRENT ASSETS</b>				
(a) INVENTORIES	0	0	31311367	338651
(b) TRADE RECEIVABLES	10188606	107149	48227869	521613
(c) CASH AND CASH EQUIVALENTS	10104262	106262	28570	309
(d) SHORT TERM LOANS AND ADVANCES	7101092	288089	9336243	100977
	27393960	288089	88904048	961550
<b>TOTAL</b>	<b>27393960</b>	<b>288089</b>	<b>92507576</b>	<b>1014685</b>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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DATED 19/05/2016  
NEW DELHI

PARTNER  
MEMBERSHIP NO 091309



**KS 615 LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31-03-2016**

	NOTE	YEAR ENDED Thursday, March 31, 2016 RS.	YEAR ENDED Thursday, March 31, 2016 GBP	YEAR ENDED 31-03-2015 RS.	YEAR ENDED 31-03-2015 GBP
I. REVENUE FROM OPERATIONS	14	150217348	1520965	198819633	2017216
<b>TOTAL REVENUE</b>		<b>150217348</b>	<b>1520965</b>	<b>198819633</b>	<b>2017216</b>
II. EXPENSES:					
(a) COST OF MATERIALS CONSUMED	15	87410533	885040	21797051	221152
(b) PURCHASES OF STOCK IN TRADE	16	0	0	104877510	1064083
(c) CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	17	24723563	267400	3916754	19434
(d) EMPLOYEE BENEFIT EXPENSES	18	23873355	241720	34032956	345297
(e) FINANCE COSTS	19	615204	6229	778339	7897
(f) DEPRECIATION AND AMORTIZATION EXPENSE		523057	5296	911102	9244
(g) OTHER EXPENSES	20	48825613	494364	46978109	476638
<b>TOTAL EXPENSES</b>		<b>185971326</b>	<b>1900049</b>	<b>213291820</b>	<b>2143745</b>
III. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND		(35753978)	(379084)	(14472187)	(126529)
IV. EXCEPTIONAL ITEMS		42489995	445467	0	0
V. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		6736018	66383	(14472187)	(126529)
VI. EXTRAORDINARY ITEMS		0	0	0	0
VII. PROFIT/(LOSS) BEFORE TAX		6736018	66383	(14472187)	(126529)
VIII. TAX EXPENSE:					
(1) CURRENT TAX		0	0	0	0
(2) DEFERRED TAX		0	0	0	0
IX. PROFIT/(LOSS) AFTER TAX		6736018	66383	(14472187)	(126529)
X. PROFIT/(LOSS) AFTER TAX TRANSFERRED TO BALANCESHEET		6736018	66383	(14472187)	(126529)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS



DATED 19/05/2016  
NEW DELHI

**KS 615 LIMITED**  
Cash Flow Statement for the year ended 31 March 2016

(Amount in Rs.)

	Year ended 31-Mar-16	Year ended 31-Mar-15
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	6,736,018	(14,472,187)
Adjustments for:		
Depreciation and Amortisation	523,057	911,102
Interest expense	615,204	778,339
(Profit)/ Loss on Sale of Fixed assets	1,761,959	-
Foreign Translation Reserve	1,074,243	1,697,587
<b>Operating Profit before working capital changes</b>	<b>10,710,481</b>	<b>(11,085,160)</b>
Adjustments for :		
Inventories	31,311,367	4,228,073
Trade/other receivable	40,274,414	3,841,419
Trade / other payables	(23,485,456)	(10,503,193)
<b>Cash generated from operations</b>	<b>58,810,805</b>	<b>(13,518,861)</b>
Direct taxes paid	-	-
<b>Net cash from operating activities</b>	<b>58,810,805</b>	<b>(13,518,861)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	(1,761,959)	-
Purchase of fixed assets including capital work in progress	3,080,471	(142,815)
<b>Net cash used in investing activities</b>	<b>1,318,513</b>	<b>(142,815)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-	-
Proceeds/(Repayment) of long term borrowings (net)	-	-
Proceeds from short term borrowings (net)	(49,438,421)	14,451,211
Interest paid	(615,204)	(778,339)
<b>Net cash used in financing activities</b>	<b>(50,053,625)</b>	<b>13,672,872</b>
<b>Increase in cash and cash equivalent</b>	<b>10,075,692</b>	<b>11,196</b>
<b>Effect of foreign exchange fluctuations</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalent</b>	<b>10,075,692</b>	<b>11,196</b>
<b>Cash and cash equivalents in the beginning</b>	<b>28,570</b>	<b>17,374</b>
<b>Cash and cash equivalents at the close</b>	<b>10,104,262</b>	<b>28,570</b>

Cash Flow Statement for the year ended 31 March 2016 (Continued)

	Year ended 31st March 2016	Year ended 31st March 2015
<b>Note:</b>		
Cash and cash equivalent include:		
Cash and cheques in hand and remittances in transit	10,104,262	-
Balances with bank	-	28,570
Cash and cash equivalents	<u>10,104,262</u>	<u>28,570</u>
Balances in fixed deposit accounts - pledged	-	-
Balances in unpaid dividend accounts	-	-
Bonus fraction 2005 account	-	-
Share split fraction 2006 account	-	-
Balance in post office savings account (pledged)	-	-
Balance with bank not considered as cash equivalents	-	-
Cash and bank balances as per Balance Sheet	<u>10,104,262</u>	<u>28,570</u>





KS 615 LIMITED  
SCHEDULES TO THE ACCOUNTS

AS AT  
31-03-2015  
GBP

AS AT  
31-03-2016  
RS.

AS AT  
3/31/2016  
GBP

AS AT  
3/31/2016  
RS.

**SCHEDULE 1 : SHARE CAPITAL & PREMIUM**

**AUTHORISED**

XXXXXX Equity Shares of Re. 10/- each

**ISSUED, SUBSCRIBED AND PAID UP**  
700,501 Equity Shares of GBP 1/- each fully paid up in cash  
Share Premium

700501  
49500  
750001

62468377  
3547650  
66016027

700501  
49500  
750001

62468377  
3547650  
66016027

**SCHEDULE 2 : RESERVES AND SURPLUS  
GENERAL RESERVE**

As per last Balance Sheet

(549940)

(43346070)

(676469)

(57818257)

**Surplus in Profit and Loss Account**

(126529)  
(676469)

(14472187)  
(57818257)

66383  
(610086)

6736018  
(51082240)

**SCHEDULE 3 : LONG TERM BORROWINGS**

From Banks

0  
0

0  
0

0  
0

0  
0

**SCHEDULE 4 : DEFERRED TAX LIABILITIES**

Deferred Tax Liabilities

0  
0

0  
0

0  
0

0  
0

**SCHEDULE 5 : SHORT TERM BORROWINGS**

Bank loans and overdraft  
Amount owed to group undertakings  
Less: Impairment

176589  
369000  
0  
545589

16327260  
34117408  
0  
50444668

0  
419000  
408467  
10533  
109807

39841956  
38835709  
1006247  
10441350

**SCHEDULE 6 : TRADE PAYABLES**

Sundry Creditors

333754  
333754

30858594  
30858594

109807  
109807

10441350  
10441350

**SCHEDULE 7 : OTHER CURRENT LIABILITIES**

Hire purchase contract  
Social Security and other Taxes  
VAT

0  
7820  
36460  
44280

0  
723030  
3371059  
4094089

0  
3882  
0  
3882

0  
369132  
0  
369132

**SCHEDULE 8 : SHORT TERM PROVISIONS**

Accrued Expense

17530  
17530

1620808  
1620808

23952  
23952

2277553  
2277553

**SCHEDULE 10 : INVENTORIES  
(AS TAKEN, VALUED & CERTIFIED BY MANAGEMENT)**

i) Raw Materials  
ii) Finished and Traded Goods

71251  
267400  
338651

6587803  
24723663  
31311367

0  
0  
0

0  
0  
0

**SCHEDULE 11 : TRADE RECEIVABLES**

(Considered good except where provided for)

Trade Debtors

521613  
521613

48227869  
48227869

107149  
107149

10188606  
10188606

**SCHEDULE 12 : CASH & CASH EQUIVALENTS**

Cash in Hand (as certified)

309  
309

28570  
28570

106262  
106262

10104262  
10104262

**SCHEDULE 13 : SHORT TERM LOANS & ADVANCES**

Prepayments & Accrued Income  
VAT recoverable

100977  
100977

9336243  
9336243

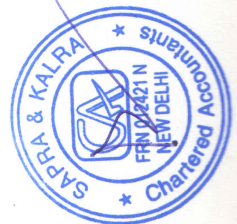
60328  
14351  
74679

5736481  
1364611  
7101092



**KS 615 LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31-03-2016**

	YEAR ENDED 31/3/2016 RS.	YEAR ENDED 31-03-2015 RS.	YEAR ENDED 31-03-2015 GBP
<b>SCHEDULE 14: REVENUE FROM OPERATIONS</b>			
Sale of Product	150217348	1520965	2017216
	<u>150217348</u>	<u>1520965</u>	<u>2017216</u>
<b>SCHEDULE 15: COST OF MATERIALS CONSUMED</b>			
Raw Material Consumed	87410533	885040	221152
	<u>87410533</u>	<u>885040</u>	<u>221152</u>
<b>SCHEDULE 16: PURCHASE OF TRADED GOODS</b>			
Purchase of Traded Goods	0	104877510	1064083
	<u>0</u>	<u>104877510</u>	<u>1064083</u>
<b>SCHEDULE 17: CHANGES IN INVENTORIES</b>			
Finished Goods	24723563	28640318	286834
Opening Stock	0	24723563	267400
Closing Stock	<u>24723563</u>	<u>3916754</u>	<u>19434</u>
<b>SCHEDULE 18: EMPLOYEE BENEFIT EXPENSE</b>			
Salaries, Wages & Allowances	23873355	33881664	343762
Termination Payments	-	151292	1535
Welfare Expenses	<u>23873355</u>	<u>34032956</u>	<u>345297</u>
<b>SCHEDULE 19: FINANCE COSTS</b>			
Interest	615204	778339	7897
	<u>615204</u>	<u>778339</u>	<u>7897</u>
<b>SCHEDULE 20: OTHER EXPENSES</b>			
Light & Heat	2504470	6075423	61641
Rent & Rates	13027433	13214718	134076
Bank Charges	467847	678004	6879
Insurance	2312768	1119855	11362
Foreign exchange (profit)/losses	(714067)	(3167961)	(32142)
Auditors Remuneration	444440	4500	6000
Recruitment Cost	382712	135522	1375
Legal Fees	5140001	908736	9220
Hire of Plant & Machinery	353577	1672193	16966
Packing & Carriage	-	-	-
Sales Rebate & Commission	5307012	7555618	76659
Motor & Travel Expenses	1531344	2408643	24438
Repair & Maintenance (Others)	3653200	2732812	27727
Telephone, Postage & Telegram	941127	1298152	13171
Miscellaneous expenses	6808825	8396347	85189
Charity & Donation	127011	258231	2620
Advertisement	3156316	3032833	30771
(Profit)/ Loss on sale of fixed assets (Net)	1761959	0	0
Bad & Doubtful debt	1619639	57613	686
	<u>48825613</u>	<u>46578109</u>	<u>476638</u>
<b>NOTE: Exceptional Items</b>			
Sales of Barwood name	3654287	37000	-
Loans not payable to holding company	38835709	408467	-
	<u>42489995</u>	<u>445467</u>	<u>-</u>





KS 615 LIMITED

9 FIXED ASSETS

Gross Block

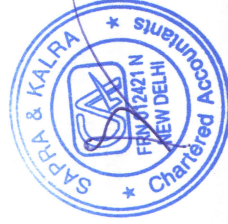
Particulars	As At 31.03.15		Additions		Deduction/Retirement		As At 31.03.16		Depreciation			(In GBP) Net Block		
	Rs.		Rs.		Rs.		Rs.		Upto 31.03.15	For the Year	Deduction/Retirement	Upto 31.03.16	As At 31.03.16	As At 31.03.15
Plant & Machinery	129,727		-		129,727		-		76,592	5,296	81,888	-	-	53,135
Trade Mark	-		-		-		-		-	-	-	-	-	-
<b>Total</b>	<b>129,727</b>		<b>-</b>		<b>129,727</b>		<b>-</b>		<b>76,592</b>	<b>5,296</b>	<b>81,888</b>	<b>-</b>	<b>-</b>	<b>53,135</b>

KS 615 LIMITED

9 FIXED ASSETS

Gross Block

Particulars	As At 31.03.15		Additions		Deduction/Retirement		As At 31.03.16		Depreciation			(In Rupees) Net Block		
	Rs.		Rs.		Rs.		Rs.		Upto 31.03.15	For the Year	Deduction/Retirement	Upto 31.03.16	As At 31.03.16	As At 31.03.15
Plant & Machinery	7,096,468		-		7,096,468		-		3,492,940	523,057	4,015,997	-	-	3,603,528
Trade Mark	-		-		-		-		-	-	-	-	-	-
<b>Total</b>	<b>7,096,468</b>		<b>-</b>		<b>7,096,468</b>		<b>-</b>		<b>3,492,940</b>	<b>523,057</b>	<b>4,015,997</b>	<b>-</b>	<b>-</b>	<b>3,603,528</b>



**KS 615 LIMITED**  
**(FORMERLY KNOWN AS BARWOOD PRODUCTS LIMITED)**

**NOTE-21**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016.**

**1. BASIS OF ACCOUNTING**

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

**2. FOREIGN EXCHANGE TRANSACTIONS:**

In translating the financial statements of an integral foreign operation for incorporation in financial statements, the assets and liabilities, monetary items, of the non-integral foreign operation are translated at the closing rate; non-monetary items are translated at the rates prevailing on the date of transaction; income and expense items of the non-integral foreign operation are translated at average exchange rates prevailing during the year; and all resulting exchange differences are accumulated in foreign currency translation reserve and shown in the balance sheet.

On the disposal of an 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,

3. The breakup of opening stock, purchases and closing stock between raw materials, stock in trade are not available with the subsidiary and conversion has been effected on the basis of estimates as available with the subsidiary.

4. On 30<sup>th</sup> November, 2015 the company sold its trade and fixed assets to and unrelated party and as such ceased to be a going concern. The company has also decided to deregister itself on receipt of outstanding debts and payments to creditors etc.

**4. IN THE OPINION OF THE BOARD OF DIRECTORS OF THE COMPANY:**

- i) All the assets of the company as appearing in the Balance Sheet are realizable in the ordinary course of Business.
- ii) No personal expenses have been charged to the revenue account.

As per our report on even date

For SAPRA & KALRA .  
CHARTERED ACCOUNTANTS

  
  
CA SAMIR VAID  
PARTNER  
M.NO.091309

DATED: 19/05/2016  
PLACE: New Delhi