



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 HALIS INTERNATIONAL LIMITED, expressed in INR, which comprises of Balance Sheet as at 31st March, 2016 and also the Profit & Loss Account & Cash flow Statement of the Company for the year ended on that date, 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 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 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 "Non 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 consolidation 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

Halis International Limited
Balance Sheet as at 31st, March 2016

	As at 31st March 2016 (INR)	As at 31st March, 2016 (USD)	As at 31st March 2015 (INR)	As at 31st March, 2015 (USD)
Sources of Funds :				
Shareholders' Funds				
Share Capital	78,249,600	1,705,000	78,249,600	1,705,000
Preference Share Capital	106,655,390	1,878,000	98,908,900	1,757,000
Profit & Loss Account	(169,454,324)	(3,289,167)	(3,479,570)	(65,355)
Foreign Translation Reserve	(269,672)		(295,976)	
	15,180,994	293,833	173,382,953	3,396,645
Current liabilities & Provisions				
Payables	99,499	1500	93,886	1,500
Total Equity & Liabilities	15,280,493	295,333	173,476,839	3,398,145
Application of Funds :				
Investment				
Investment in Shares	180,213,306	3,503,307	173,236,616	3,394,307
Less: Provision for impairment	165,326,100	3,213,903		
	14,887,206	289,404	173,236,616	3,394,307
Current Assets and Loans & Advances				
Advance receivable in cash or in kind	116,282	1,753	136,135	2,175
Cash and cash equivalents	277,006	4,176	104,089	1,663
	393,288	5,929	240,223	3,838
Total Assets	15,280,493	295,333	173,476,839	3,398,145

Notes To Accounts

Schedule- A

This is the Balance Sheet referred to
in our report of even date.

The Schedules referred to above form an
integral part of this Balance sheet

For and on behalf of
SAPRA & KALRA
CHARTERED ACCOUNTANTS

SAMIR VAID
PARTNER
MEMBERSHIP NO 091309

DATED:- 19/05/2016
NEW DELHI



Halis International Limited
Profit and Loss for the year ending as on 31st, March 2016

	As at 31st March 2016 (INR)	As at 31st March, 2016 (USD)	As at 31st March 2015 (INR)	As at 31st March, 2015 (USD)
Income				
Gross Receipts	-	-	-	-
	-	-	-	-
Expenditure				
General and Administrative Expenses	648,653	9909	700,379	11454
Impairment Losses	165,326,100	3,213,903	-	-
	165,974,753	3,223,812	700,379	11,454
Net Results before Taxation	(165,974,753)	(3,223,812)	(700,379)	(11,454)
Add:- Previous year Balance	(3,479,570)	(65,355)	(2,779,191.5)	(53,901)
Balance carried forward to Balance Sheet	(169,454,324)	(3,289,167)	(3,479,570)	(65,355)

Notes To Accounts

Schedule- A

This is the Profit and Loss Account referred to in our report of even date.

The Schedules referred to above form an integral part of this Balance sheet

For and on behalf of
SAPRA & KALRA
CHARTERED ACCOUNTANTS

SAMIR VAID
PARTNER
MEMBERSHIP NO 091309

DATED:- 19/05/2016
 NEW DELHI



HALIS INTERNATIONAL LIMITED
Cash Flow Statement for the year ended 31 March 2016

(Amount in Rs.)

	Year ended 31st March, 2016	Year ended 31st March, 2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(165,974,753)	(700,379)
Adjustments for:		
Impairment losses	165,326,100	
Foreign Translation Reserve	26,304	15,920
Operating Profit before working capital changes	<u>(622,349)</u>	<u>(684,459)</u>
Adjustments for :		
Trade/other receivable	19,853	-5,418
Trade / other payables	5,613	3,737
Cash generated from operations	(596,882)	-686,141
Direct taxes paid	-	-
Net cash from operating activities	<u>(596,882)</u>	<u>-686,141</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	(6,976,690)	(17,333,900)
(including investment in subsidiary Rs.155.9 millions (previous year Rs.131.5 millions)		
Net cash used in investing activities	<u>(6,976,690)</u>	<u>(17,333,900)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	7,746,490	17,456,000
Net cash used in financing activities	<u>7,746,490</u>	<u>17,456,000</u>
Net increase in cash and cash equivalent	172,918	(564,041)
Cash and cash equivalents in the beginning	104,089	668,129
Cash and cash equivalents at the close	<u>277,006</u>	<u>104,089</u>

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

	Year ended 31st March, 2016	Year ended 31st March, 2015
Note:		
Cash and cash equivalent include:		
Cash and cheques in hand and remittances in transit		
Balances with bank	277,006	104,089
Cash and cash equivalents	<u>277,006</u>	<u>104,089</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>277,006</u>	<u>104,089</u>

