



AUDITOR'S REPORT

We have audited the attached Balance Sheet of Haas International B.V. Kableweg 37, 1014 BA Amsterdam as on March 31, 2014, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of Haas International B.V. Our responsibility is to express an opinion on these financial statements based on our audit.


We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentations. We believe that our audit provides a reasonable basis for our opinion.

Further we report that,

1. We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of account to the extent required by the Indian laws have been maintained by the Corporation so far as appears from our examination of those books.
3. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion and to the best information an according to the explanations given to us, the financial statements comply with the applicable accounting standards and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a). In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014, and
 - b). In the case of Profit and Loss account of the loss for the year ended on that date.
 - c). In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

NEW DELHI.

DATED: 29/4/2014

For SAPRA & KALRA
[FIRM REGISTRATION NO 012421N]
CHARTERED ACCOUNTANTS
NEW DELHI

(CA SAMIR VAID)
PARTNER
M.NO.091309

HAAS International B.V.
Balance Sheet as at 31st March 2014

	Schedule	As at 31st March 2014 (INR)	As at 31st March 2014 (EURO)	As at 31st March 2013 (INR)	As at 31st March 2013 (EURO)
Sources of Funds :					
Shareholders' Funds					
Share Capital	I	1,087,943	18,000	1,087,943	18,000
Share Premium		153,504,664	2,407,446	129,091,854	2,119,213
Reserve & Surplus	II	(6,024,142)	(86,651)	(5,478,750)	(79,513)
Foreign Translation reserve		6,541,079		4,036,437	
		<u>155,109,544</u>	<u>2,338,795</u>	<u>128,737,484</u>	<u>2,057,700</u>
Current liabilities & Provisions					
Payables	VI	315,937	3,826	284,712	4,094
		<u>315,937</u>	<u>3,826</u>	<u>284,712</u>	<u>4,094</u>
		<u>155,425,481</u>	<u>2,342,621</u>	<u>129,022,196</u>	<u>2,061,794</u>
Application of Funds :					
Intangible Fixed Assets					
Trademark	III	4,116,045	62,066	4,116,045	62,066
Investment					
Investment in Group Entities	IV	128,161,340	2,000,641	108,191,380	1,759,212
Long Term Loans & Advances					
Loans Granted to Group entities	V	20,069,810	242,636	12,430,456	178,910
		<u>152,347,195</u>	<u>2,305,343</u>	<u>124,737,881</u>	<u>2,000,188</u>
Current Assets and Loans & Advances					
(a) Cash and cash equivalents	VI	1,354,750	16,406	2,832,797	40,734
(b) Amount owed by Group Entity		1,723,537	20,872	1,451,518	20,872
(C) Prepayments					
		<u>3,078,286</u>	<u>37,278</u>	<u>4,284,315</u>	<u>61,606</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Total Assets		<u>155,425,481</u>	<u>2,342,621</u>	<u>129,022,196</u>	<u>2,061,794</u>

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

NEW DELHI
SANGH YAJD
PARTNER
MEMBERSHIP NO 091309

New Delhi

Dated:- 29/4/2014

HAAS International B.V.
Profit and Loss for the year ending as on 31st, March 2014

	Schedule	As at 31st March, 2014 (INR)	As at 31st March, 2014 (EURO)	As at 31st March, 2013 (INR)	As at 31st March, 2013 (EURO)
Holding Activities					
Result from Interests in group entities		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditure					
Currency exchange result		(360,525)	(4,027)	1,441,350	17,547
General and Administrative Expenses	VII	905,917	11,165	786,571	11,226
		<u>545,392</u>	<u>7,138</u>	<u>2,227,921</u>	<u>28,773</u>
Net Results before Taxation		(545,392)	(7,138)	(2,227,921)	(28,773)
Balance carried forward to Balance Sheet		(545,392)	(7,138)	(2,227,921)	(28,773)

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
NEW DELHI
SAMIR VAID
PARTNER
MEMBERSHIP NO 091309

NEW DELHI

DATED:- 29/4/2014

HAAS International B.V.
Cash Flow Statement for the year ended 31 March 2014

(Amount in Rs.)

	Year ended 31/03/2014	Year ended 31/03/2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(545,392)	(2,227,921)
Adjustments for:		
Foreign Translation Reserve	2,504,642	799,791
Operating Profit before working capital changes	1,959,250	(1,428,130)
Adjustments for :		
Trade/other receivable	(272,018)	441,509
Trade / other payables	31,225	61,103
Cash generated from operations	1,718,457	(925,518)
Direct taxes paid	-	-
Net cash from operating activities	1,718,457	(925,518)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments (including investment in subsidiary Rs. 128.16 millions (previous year Rs. 108.19millions)	(19,969,960)	(42,385,510)
Loans and advances	(7,639,354)	17,835,248
Purchase of fixed assets including capital work in progress (Trademark)	-	(4,116,045)
Net cash used in investing activities	(27,609,314)	(28,666,307)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Premium money received	24,412,810	28,523,690
Net cash used in financing activities	24,412,810	28,523,690
Net increase in cash and cash equivalent	(1,478,047)	(1,068,135)
Cash and cash equivalents in the beginning	2,832,797	3,900,932
Cash and cash equivalents at the close	1,354,750	2,832,797

Cash Flow Statement for the year ended 31 March 2014 (Continued)

	Year ended 31st March 2014	Year ended 31st March 2013
Note:		
Cash and cash equivalent include:		
Cash and cheques in hand and remittances in transit		-
Balances with bank	1,354,750	2,832,797
Cash and cash equivalents	1,354,750	2,832,797
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	1,354,750	2,832,797



HAAS International B.V.
Schedules forming part of the Balance Sheet

	As at 31st March 2014 (INR)	As at 31st March 2014 (EURO)	As at 31st March 2013(INR)	As at 31st March 2013 (EURO)
Schedule :I:				
Share Capital				
Authorized				
9000.00 Equity Shares of EURO 10 each	5,439,717	90,000	5,439,717	90,000
Issued, subscribed and paid-up				
1800.00 Equity Shares of EURO 10 each	1,087,943	18,000	1,087,943	18,000
	<u>1,087,943</u>	<u>18,000</u>	<u>1,087,943</u>	<u>18,000</u>
Schedule :II:				
Reserves & Surplus				
Opening Balance	(5,478,750)	(79,513)	(3,250,829)	(50,740)
Add: Profit & Loss for the year	(545,391)	(7,138)	(2,227,921)	(28,773)
	<u>(6,024,142)</u>	<u>(86,651)</u>	<u>(5,478,750)</u>	<u>(79,513)</u>
Schedule :III:				
Trade Mark				
	4,116,045	62,066	4,116,045	62,066
	<u>4,116,045</u>	<u>62,066</u>	<u>4,116,045</u>	<u>62,066</u>
Schedule :IV:				
Investment				
Investment in Group Entities				
Barwood Products Limited	128,161,340	2,000,641	108,191,380	1,759,212
	<u>128,161,340</u>	<u>2,000,641</u>	<u>108,191,380</u>	<u>1,759,212</u>
Schedule :V:				
Loans granted to group entities				
Barwood Products Limited	20,069,810	242,636	12,430,456	178,910
	<u>20,069,810</u>	<u>242,636</u>	<u>12,430,456</u>	<u>178,910</u>
Schedule :VI:				
Current Assets & Loans and Advances				
(a) Cash at Bank Balance				
Balance in current accounts	1,354,750	16,406	2,832,797	40,734
	<u>1,354,750</u>	<u>16,406</u>	<u>2,832,797</u>	<u>40,734</u>
(b) Amount owed by Group Entity				
Alchemy International Coop. U. A.	1,723,537	20,872	1,451,518	20,872
	<u>1,723,537</u>	<u>20,872</u>	<u>1,451,518</u>	<u>20,872</u>
(c) Prepayments				
	0	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Schedule :VII:				
Current liabilities & Provisions				
Payables				
Management Fees	190,999	2,313	160,924	2,314
Tax Advisory Fees	124,938	1,513	123,788	1,780
	<u>315,937</u>	<u>3,826</u>	<u>284,712</u>	<u>4,094</u>



HAAS International B.V.
Schedules forming part of the Profit & Loss Account

	As at 31st March 2014 (INR)	As at 31st March 2014 (EURO)	As at 31st March 2013 (INR)	As at 31st March 2013 (EURO)
Schedule :VII:				
General & Administrative Expenses				
Management Fees	620,714	7,650	536,012	7,650
Tax Advisory Fees	83,167	1,025	87,584	1,250
Bank Charges	44,058	543	40,078	572
Other General Expenses	157,977	1,947	122,897	1,754
	905,916	11,165	786,571	11,226



HAAS International B.V.

SCHEDULE-A

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Methodology:

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

B. Investments:

Investments are stated at cost.

2. Foreign Exchange Transactions:

For the purpose of translation of foreign exchange transactions, the operations have been treated as non-integral foreign operations. The translation was done on the following basis:

- i) Assets & Liabilities, monetary items at closing rate.
- ii) Non monetary items at rates prevailing on the date of transaction,
- iii) Income and expense items 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.


3. 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 debited to the revenue accounts.

As per our report on even date

DATE: 29/4/2014
NEW DELHI:

For **SAPRA & KALRA**
CHARTERED ACCOUNTANTS


CA SAMIR VAID
PARTNER
M.NO.091309