



**SAPRA & KALRA**  
CHARTERED ACCOUNTANTS

**SAMIR VAID**  
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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 31<sup>st</sup> March, 2014 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, 1956 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

  
  
(**C.A. SAMIR VAID**)  
PARTNER  
M.NO.091309

NEW DELHI.

DATED: 29/4/2014



**Halis International Limited**  
**Profit and Loss for the year ending as on 31st, March 2014**

	As at 31st March, 2014 (INR)	As at 31st March, 2014 (USD)	As at 31st March, 2013 (INR)	As at 31st March, 2013 (USD)
<b>Income</b>				
Gross Receipts			-	-
<b>Expenditure</b>				
General and Administrative Expenses	727,767	12030	583,662	10,719
	<u>727,767</u>	<u>12,030</u>	<u>583,662</u>	<u>10,719</u>
<b>Net Results before Taxation</b>	(727,767)	(12,030)	(583,662)	(10,719)
Add:- Previous year Balance	(2,051,425)	(41,871)	(1,467,762.2)	(31,152)
<b>Balance carried forward to Balance Sheet</b>	<u>(2,779,192)</u>	<u>(53,901)</u>	<u>(2,051,425)</u>	<u>(41,871)</u>

**Notes To Accounts**

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

**Schedule- A**

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:- 29/4/2014  
 NEW DELHI



HALIS INTERNATIONAL LIMITED  
Cash Flow Statement for the year ended 31 March 2014

(Amount in Rs.)

	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(727,767)	(583,662)
Adjustments for:		
Foreign Translation Reserve	59,284	19,533
Operating Profit before working capital changes	<u>(668,483)</u>	<u>(564,129)</u>
Adjustments for :		
Trade/other receivable	5,093	-33,651
Trade / other payables	8,566	4,849
Cash generated from operations	(654,824)	-592,931
Direct taxes paid	-	-
Net cash from operating activities	<u>(654,824)</u>	<u>-592,931</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(24,412,810)	(29,092,490)
(including investment in subsidiary Rs.155.9 millions (previous year Rs.131.5 millions)		
Net cash used in investing activities	<u>(24,412,810)</u>	<u>(29,092,490)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	25,092,610	29,661,290
Net cash used in financing activities	<u>25,092,610</u>	<u>29,661,290</u>
Net increase in cash and cash equivalent	24,976	(24,131)
Cash and cash equivalents in the beginning	643,153	667,284
Cash and cash equivalents at the close	668,129	643,153

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

	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>Note:</b>		
Cash and cash equivalent include:		
Cash and cheques in hand and remittances in transit		
Balances with bank	668,129	643,153
Cash and cash equivalents	<u>668,129</u>	<u>643,153</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>668,129</u>	<u>643,153</u>



# HALIS INTERNATIONAL LIMITED

## SCHEDULE - A

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

#### 1. NATURE OF OPERATIONS

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

#### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### a). Foreign Exchange Transactions:

Translation of non-integral foreign operation in translating the financial statements of a non-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 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.

DATE: 29/4/2014  
PLACE: New Delhi

For SAPRA & KALRA  
CHARTERED ACCOUNTANTS



(SAPRA VAID)  
PARTNER  
M.NO.091309