



AUDITORS REPORT

TO THE BOARD OF DIRECTORS OF HSIL LTD.

We have verified the accompanying financial statements of ALCHEMY INTERNATIONAL COOPERATIEF U.A., 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 Alchemy International Cooperatief U.A. ("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



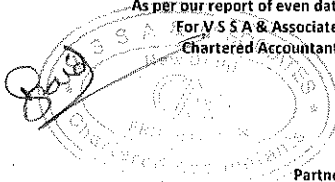
ALCHEMY INTERNATIONAL COOPERATIEF U.A.
Balance sheet as at 31 March 2018

Particulars	Note No.	As at 31 March 2018		As at 31 March 2017	
		INR	EURO	INR	EURO
A					
1 ASSETS					
Non-current assets					
(a) Property, plant and equipment		-	-	-	-
(b) Capital work-in-progress		-	-	-	-
(c) Goodwill		-	-	-	-
(d) Other intangible assets		-	-	-	-
(e) Financial assets		-	-	-	-
(i) Investments	2	5,646,797	86,577	18,747,128	287,432
(ii) Loans		-	-	-	-
(f) Other non-current assets		-	-	-	-
Total non-current assets		5,646,797	86,577	18,747,128	287,432
2 Current assets					
(a) Inventories		-	-	-	-
(b) Financial assets		-	-	-	-
(i) Trade receivables		-	-	-	-
(ii) Cash and cash equivalents	3	556,293	6,900	1,169,720	16,892
(iii) Bank balances other than (ii) above		-	-	-	-
(iv) Loans	4	-	-	599,511	8,658
(v) Other financial assets		-	-	-	-
(c) Other current assets		-	-	-	-
Total current assets		556,293	6,900	1,769,231	25,549
Total assets (1+2)		6,203,090	93,477	20,516,359	312,981
B					
EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share capital	5(a)	181,890,816	2,782,517	181,232,778	2,774,355
(b) Other Equity	5(b)	(179,187,778)	(2,732,454)	(164,611,296)	(2,517,620)
Total equity		2,703,038	50,064	16,621,482	256,736
Liabilities					
2 Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings		-	-	-	-
(ii) Trade payables		-	-	-	-
(iii) 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	441,971	5,482	1,472,518	21,265
(b) Other current liabilities	7	3,058,081	37,931	2,422,359	34,981
(c) Provisions		-	-	-	-
(d) Current tax liabilities (Net)		-	-	-	-
Total current liabilities		3,500,052	43,413	3,894,877	56,246
Total equity and liabilities (1+2+3)		6,203,090	93,477	20,516,359	312,981

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

ALCHEMY INTERNATIONAL COOPERATIEF U.A.
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	EURO	INR	EURO
Continuing operations					
I Revenue from operations		-	-	-	-
II Other income		5,898	69	-	-
III Total revenue (I + II)		5,898	69	-	-
IV Expenses					
Cost of materials consumed		-	-	-	-
Changes in stock of finished goods, work-in-progress and stock-in-trade		-	-	-	-
Employee benefits expense		-	-	-	-
Finance costs		-	-	-	-
Depreciation and amortisation expense		-	-	-	-
Other expenses	8	1,200,728	14,048	1,285,448	17,464
Total expenses (IV)		1,200,728	14,048	1,285,448	17,464
V Profit/(loss) before exceptional items and tax (III - IV)		(1,194,830)	(13,979)	(1,285,448)	(17,464)
Exceptional items					
VI Share of profit / (loss) of joint ventures and associates	9	(13,100,331)	(200,855)	-	-
Share of profit / (loss) of joint ventures and associates		-	-	-	-
VII Profit/(loss) before tax		(14,295,161)	(214,834)	(1,285,448)	(17,464)
VIII Tax expense					
(1) Current tax		-	-	-	-
(2) Deferred tax		-	-	-	-
Total tax expense (VIII)		-	-	-	-
IX Profit/(loss) after tax (VII - VIII)		(14,295,161)	(214,834)	(1,285,448)	(17,464)
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)		(14,295,161)	(214,834)	(1,285,448)	(17,464)

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

ALCHEMY INTERNATINAL COOPERATIEF U.A.
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	(1,194,830)	(1,285,448)
Adjustments for:		
Impairment losses	-	-
Net foreign exchange (gain)/loss	(281,321)	169,392
	(1,476,151)	(1,116,055)
Movements in working capital:		
Increase in trade and other receivables	599,511	(338,855)
Decrease in trade and other payables	(394,825)	1,246,935
	204,685	908,080
Cash generated from operations	(1,271,466)	(207,975)
Income taxes paid	-	-
Net cash generated by operating activities	(1,271,466)	(207,975)
Cash flows from Investing activities:		
Purchase of investments	-	-
Net cash (used in)/generated by Investing activities	-	-
	(1,271,466)	(207,975)
Cash flows from financing activities:		
Proceeds from borrowings	-	-
Proceeds from Issue of Share Capital	658,038	1,007,250
Net cash used in financing activities	658,038	1,007,250
	(613,427)	799,275
Net increase in cash and cash equivalents:		
Cash and cash equivalents at the beginning of the year	1,169,720	370,446
	1,169,720	370,446
Cash and cash equivalents at the end of the year	556,293	1,169,720

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

Note 2- Non current investment

Particulars	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Investments Carried at: Investments carried at fair value (unquoted) Investments in Equity Instruments - of Subsidiaries				
Opening balance	18,747,128	287,432	18,747,128	287,432
Add: Addition during the year	-	-	-	-
Less: Provision for impairment	13,100,331	200,855	-	-
Total investments carrying value	5,646,797	86,577	18,747,128	287,432

Note 3 - Cash and bank balances	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Current Cash and bank balances Balances with banks	556,293	6,900	1,169,720	16,892
Total cash and cash equivalent	556,293	6,900	1,169,720	16,892

Note 4 - Other Current assets (unsecured, considered good unless otherwise stated)	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Other current assets Advance recoverable in cash or in kind			599,511	8,658
TOTAL	-	-	599,511	8,658

ALCHEMY INTERNATIONAL COOPERATIEF U.A.

Note 5(a) Statement of changes in equity for the year ended 31 March 2017	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
a. Share capital Issued and paid up capital				
Opening balance	181,232,778	2,774,355	180,225,528	2,760,731
Changes in equity share capital during the year	658,038	8,162	1,007,250	13,624
Closing balance	181,890,816	2,782,517	181,232,778	2,774,355

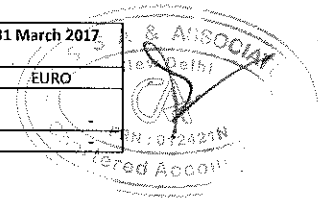
Note 8(b) - Other equity	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Reserves and surplus				
Foreign currency translation reserve				
Opening balance	25,960	-	(143,433)	-
Changes during the year	(281,321)	-	169,392	-
Closing balance	(255,361)	-	25,960	-
Retained earning				
Opening balance	(164,637,256)	(2,517,620)	(163,351,808)	(2,500,156)
Changes during the year	(14,295,161)	(214,834)	(1,285,448)	(17,464)
Closing balance	(178,932,417)	(2,732,454)	(164,637,256)	(2,517,620)
Impairment loss				
Other comprehensive income for the year (net of income tax)				
Total comprehensive income for the year	(178,932,417)	(2,732,454)	(164,637,256)	(2,517,620)
Total other equity	(179,187,778)	(2,732,454)	(164,611,296)	(2,517,620)

Note 6 - Other financial liabilities	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Creditors for expenses payable	441,971	5,482	1,472,518	21,265
Total other financial liabilities	441,971	5,482	1,472,518	21,265

Note 7 - Other current liabilities	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Amount owed to group company	3,058,081	37,931	2,422,359	34,981
Total other current liabilities	3,058,081	37,931	2,422,359	34,981

Note 8 Other expenses	For the year ended 31 March 2018		For the year ended 31 March 2017	
	INR	EURO	INR	EURO
Loss on foreign exchange fluctuation	154,194	1,804	-	-
General expenses	1,046,534	12,244	1,285,448	17,464
Share in result of participation	-	-	-	-
Total	1,200,728	14,048	1,285,448	17,464

Note no. 9 Exceptional item	For the year ended 31 March 2018		For the year ended 31 March 2017	
	INR	EURO	INR	EURO
Impairment losses	13,100,331	200,855	-	-
	13,100,331	200,855	-	-



Alchemy International Cooperatief U.A.

SCHEDULE – A NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Method:

- 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.

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.
- iv)

3. IN THE OPINION OF THE BOARD OF DIRECTORS OF THE COOPERATION:

- i) All the assets of the Organisation 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.

4. Exceptional item include impairment in the value of investments of EURO 177560 of earlier year.

As per our report on even date

**For V S S A & ASSOCIATES
CHARTERED ACCOUNTANTS**



**CA: SAMIR VAID
PARTNER
M.NO.091309**

DATE: 14-05-2018
PLACE: New Delhi