



**AUDITORS REPORT**

TO THE BOARD OF DIRECTORS OF HSIL LTD.

We have verified the accompanying financial statements of HAAS INTERNATIONAL B.V., expressed in INR, which comprises of Balance Sheet as at 31<sup>st</sup> 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 Haas International B.V. ("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.


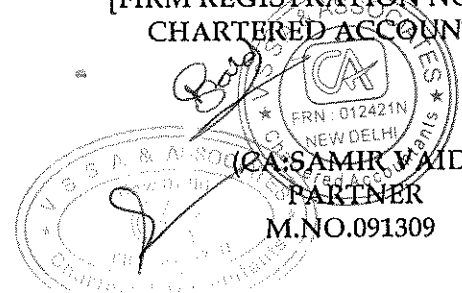
Based on our verification and on the basis of information and explanations given to us, the accompanying converted financial statements and relevant formats of the Subsidiary read with notes thereon and attached thereto have been converted as per the requirements of IND AS - 21 and are in conformity 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.

NEW DELHI.

DATED: 14-05-2018

For V S S A & ASSOCIATES  
[FIRM REGISTRATION NO 012421N]  
CHARTERED ACCOUNTANTS

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

Particulars		Note No.	As at 31 March 2018		As at 31 March 2017		
			INR	EURO	INR	EURO	
A	<b>ASSETS</b>						
	1	<b>Non-current assets</b>					
		(a) Property, plant and equipment	-	-	-	-	
		(b) Capital work-in-progress	-	-	-	-	
		(c) Goodwill	-	-	-	-	
		(d) Other intangible assets	2	2,878,494	45,572	3,143,717	48,675
		(e) Financial assets	-	-	-	-	
		(i) Investments	3	(0)	0	11,199,404	173,460
		(ii) Loans	4	-	-	-	-
		(f) Other non-current assets	-	-	-	-	
		<b>Total non-current assets</b>		<b>2,878,493</b>	<b>45,572</b>	<b>14,343,121</b>	<b>222,135</b>
	2	<b>Current assets</b>					
		(a) Inventories	-	-	-	-	
		(b) Financial assets	-	-	-	-	
	(i) Trade receivables	-	-	-	-		
	(ii) Cash and cash equivalents	5	167,372	2,076	229,577	3,315	
	(iii) Bank balances other than (ii) above	-	-	-	-		
	(iv) Loans	6	3,058,081	37,931	-	-	
	(v) Other financial assets	7	274,035	3,399	3,088,330	44,598	
	(c) Other current assets	-	-	-	-		
	<b>Total current assets</b>		<b>3,499,487</b>	<b>43,406</b>	<b>3,317,907</b>	<b>47,914</b>	
	<b>Total assets (1+2)</b>		<b>6,377,981</b>	<b>88,978</b>	<b>17,661,028</b>	<b>270,048</b>	
B	<b>EQUITY AND LIABILITIES</b>						
	1	<b>Equity</b>					
		(a) Equity Share capital	8(a)	1,087,943	18,000	1,087,943	18,000
		(b) Other Equity	8(b)	5,124,278	68,922	14,851,810	227,192
		<b>Total equity</b>		<b>6,212,221</b>	<b>86,922</b>	<b>15,939,753</b>	<b>245,192</b>
		<b>Liabilities</b>					
	2	<b>Non-current liabilities</b>					
		(a) Financial Liabilities					
		(i) Borrowings	-	-	-	-	
		(ii) Trade payables	-	-	-	-	
		(ii) Other financial liabilities measured at amortised cost	-	-	-	-	
		(b) Provisions	-	-	-	-	
		(c) Deferred tax liabilities (Net)	-	-	-	-	
		(d) Other non-current liabilities	-	-	-	-	
	<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
3	<b>Current liabilities</b>						
	(a) Financial liabilities						
	(i) Borrowings	-	-	-	-		
	(ii) Trade payables	-	-	-	-		
	(iii) Other financial liabilities (other than those specified in item (a)(iii)) measured at amortised cost	9	165,759	2,056	1,721,275	24,857	
	(b) Other current liabilities	-	-	-	-		
	(c) Provisions	-	-	-	-		
	(d) Current tax liabilities (Net)	-	-	-	-		
	<b>Total current liabilities</b>		<b>165,759</b>	<b>2,056</b>	<b>1,721,275</b>	<b>24,857</b>	
	<b>Total equity and liabilities (1+2+3)</b>		<b>6,377,981</b>	<b>88,978</b>	<b>17,661,028</b>	<b>270,049</b>	

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

Particulars	Note no.	Year ended 31 March 2018		Year ended 31 March 2017	
		INR	EURO	INR	EURO
<b>Continuing operations</b>					
I Revenue from operations		-	-	-	-
II Other income		-	-	-	-
III Total revenue (I + II)		-	-	-	-
IV Expenses					
Cost of materials consumed		-	-	-	-
Changes in stock of finished goods, work-in-progress and		-	-	-	-
Employee benefits expense		-	-	-	-
Finance costs		-	-	-	-
Depreciation and amortisation expense	2	265,223	3,103	228,425	3,103
Other expenses	10	841,569	9,846	2,880,810	39,138
Total expenses (IV)		1,106,792	12,949	3,109,235	42,241
V Profit/(loss) before exceptional items and tax (III - IV)		(1,106,792)	(12,949)	(3,109,235)	(42,241)
Exceptional items	11	(12,083,710)	(145,321)	-	-
VI Share of profit / (loss) of joint ventures and associates					
(1) Share of profit / (loss) of joint ventures and associated		-	-	-	-
VII Profit/(loss) before tax		(13,190,502)	(158,270)	(3,109,235)	(42,241)
VIII Tax expense					
(1) Current tax		-	-	-	-
(2) Deferred tax		-	-	-	-
Total tax expense (VIII)		-	-	-	-
IX Profit/(loss) after tax (VII - VIII)		(13,190,502)	(158,270)	(3,109,235)	(42,241)
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)		(13,190,502)	(158,270)	(3,109,235)	(42,241)

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  
New Delhi  
Partner  
Membership No. 091309

Particulars	Year ended 31 March 2018 INR	Year ended 31 March 2017 INR
<b>Cash flows from operating activities</b>		
Profit before tax	(1,106,792)	(3,109,235)
Adjustments for:		
Depreciation and amortisation	265,223	228,425
Impairment losses	(12,083,710)	-
Net foreign exchange (gain)/loss	3,462,971	71,461
	(9,462,308)	(2,809,349)
<b>Movements in working capital:</b>		
Increase in trade and other receivables	(243,785)	390,285
Decrease in trade and other payables	(1,555,516)	798,877
	(1,799,301)	1,189,162
<b>Cash generated from operations</b>	(11,261,609)	(1,620,187)
Income taxes paid	-	-
<b>Net cash generated by operating activities</b>	(11,261,609)	(1,620,187)
<b>Cash flows from investing activities:</b>		
Purchase of investments	11,199,404	940,057
Loans and advances	-	-
<b>Net cash (used in)/generated by investing activities</b>	11,199,404	940,057
	(62,205)	(680,130)
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	-	-
Proceeds from Issue of Share Capital	-	-
<b>Net cash used in financing activities</b>	(62,205)	(680,130)
<b>Net increase in cash and cash equivalents:</b>		
Cash and cash equivalents at the beginning of the year	229,577	909,707
	229,577	909,707
<b>Cash and cash equivalents at the end of the year</b>	167,373	229,577

This is the cashflow referred to in our report of even date.  
See accompanying notes to the financial statements

As per our report of even date  
For V S S A & Associates  
Chartered Accountants

Dated : 14 May 2018  
New Delhi

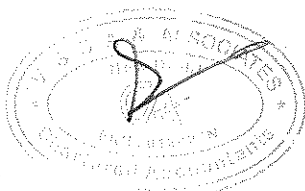
  
  
Partner  
Membership No. 091309

Note 2. Other intangible assets Description of assets	Trade mark		Total	
	INR	GBP	INR	GBP
<b>Cost</b>				
Balance as at 1 April 2016	4,116,045	62,066	4,116,045	62,066
Additions	-	-	-	-
Deletion	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>4,116,045</b>	<b>62,066</b>	<b>4,116,045</b>	<b>62,066</b>
Additions	-	-	-	-
Deletion	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>4,116,045</b>	<b>62,066</b>	<b>4,116,045</b>	<b>62,066</b>
<b>II. Accumulated amortisation</b>				
Balance as at 1 April 2016	743,903	10,288	743,903	10,288
For the year	228,425	3,103	228,425	3,103
Deletion	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>972,328</b>	<b>13,391</b>	<b>972,328</b>	<b>13,391</b>
For the year	265,223	3,103	-	-
Deletion	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1,237,551</b>	<b>16,494</b>	<b>972,328</b>	<b>13,391</b>
<b>Net block (I-II)</b>				
Balance as on 31 March 2018	2,878,494	45,572	3,143,717	48,675
Balance as on 31 March 2017	3,143,717	48,675	3,143,717	48,675

## Note 3- Non current investment

Particulars	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
<b>Investments Carried at:</b>				
Investments carried at fair value (unquoted)				
Investments in Equity Instruments				
- of Subsidiaries				
KS 615 Limied	10,030,985	156,587	10,030,985	156,587
Queo Bathroom Innovations Limited	1,168,419	16,873	1,168,419	16,873
Less: Provision for impairment	11,199,404	173,460	-	-
<b>Total investments carrying value</b>	<b>(0)</b>	<b>0</b>	<b>11,199,404</b>	<b>173,460</b>

Note 4 - Other non-current loans (unsecured, considered good unless otherwise stated)	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Other current assets				
- Advance to group company	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Note 5 - Cash and bank balances	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Current Cash and bank balances				
(a) Balances with banks	167,372	2,076	229,577	3,315
<b>Total cash and cash equivalent</b>	<b>167,372</b>	<b>2,076</b>	<b>229,577</b>	<b>3,315</b>

Note 6 - Other financial current assets loan (unsecured, considered good unless otherwise stated)	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Other current assets				
(i) Advance to group company	3,058,081	37,931	-	-
<b>TOTAL</b>	<b>3,058,081</b>	<b>37,931</b>	<b>-</b>	<b>-</b>

Note 7 - 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				
(i) Advance to group company	-	-	2,422,208	34,979
(ii) Advance recoverable in cash or in kind	274,035	3,399	666,122	9,619
<b>TOTAL</b>	<b>274,035</b>	<b>3,399</b>	<b>3,088,330</b>	<b>44,598</b>

## HAAS INTERNATIONAL B.V.

Note 8(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	1,087,943	18,000	1,087,943	18,000
Changes in equity share capital during the year	-	-	-	-
Closing balance	1,087,943	18,000	1,087,943	18,000

Note 8(b) - Other equity	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Reserves and surplus				
Security premium				
Opening balance	177,045,454	2,713,152	170,838,564	2,626,834
Changes during the year	-	-	6,206,890	86,318
Closing balance	177,045,454	2,713,152	177,045,454	2,713,152
Foreign currency translation reserve				
Opening balance	1,310,461	-	1,239,000	-
Changes during the year	3,462,971	-	71,461	-
Closing balance	4,773,432	-	1,310,461	-
Retained earning				
Opening balance	(163,504,105)	(2,485,960)	(160,394,870)	(2,443,719)
Changes during the year	(13,190,502)	(158,270)	(3,109,235)	(42,241)
Closing balance	(176,694,607)	(2,644,230)	(163,504,105)	(2,485,960)
Other comprehensive income for the year (net of income tax)	-	-	-	-
Total comprehensive income for the year	(176,694,607)	(2,644,230)	(163,504,105)	(2,485,960)
<b>Total other equity</b>	<b>5,124,278</b>	<b>68,922</b>	<b>14,851,810</b>	<b>227,192</b>

Note 9 - Other financial liabilities	As at 31 March 2018		As at 31 March 2017	
	INR	EURO	INR	EURO
Current				
Others				
(1) Creditors for expenses payable	165,679	2,055	508,080	7,337
(2) Payable to group company	81	1	1,213,196	17,520
<b>Total other financial liabilities</b>	<b>165,759</b>	<b>2,056</b>	<b>1,721,275</b>	<b>24,857</b>

Note 10 Other expenses	For the year ended 31 March 2018		For the year ended 31 March 2017	
	INR	EURO	INR	EURO
Miscellaneous expenses	819,175	9,584	1,745,398	23,712
Currency exchange result	22,394	262	(13,410)	(182)
Loans and advances written off	-	-	1,148,822	15,608
	<b>841,569</b>	<b>9,846</b>	<b>2,880,810</b>	<b>39,138</b>

Note no. 11 Exceptional item	For the year ended 31 March 2018		For the year ended 31 March 2017	
	INR	EURO	INR	EURO
Impairment losses	(884,306)	(10,346)	-	-
Effect of winding up of subsidiary KS 615 Limited	(11,199,404)	(134,975)	-	-
	<b>(12,083,710)</b>	<b>(145,321)</b>	<b>-</b>	<b>-</b>



# **HAAS International B.V.**

## **SCHEDULE-A**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH, 2018**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Accounting Methodology:**

- 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.

#### **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.

4. Exceptional item include EURO 134975 of earlier year.

As per our report on even date

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

**DATE:** 14/05/2018  
**NEW DELHI:**

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