



Auditor's report to the Group Auditor on the audit of Conversion into Functional Currency (Indian Rupees) of Financial Information for group audit purposes

Name(s) of component(s): Queo Bathroom Innovations Limited,
Rodney Chambers, 40, Rodney Street,
Liverpool, England, L1 9AA

Year-end: March 31, 2019

Currency: GBP

To: Group Auditor Mr. N K Lodha of Lodha & Co. Chartered Accountants

We have audited the conversion of Ind AS financial statements of Queo Bathroom Innovations Limited, for the purpose of your audit of the group financial statements of HSIL, the accompanying special purpose financial information containing Balance Sheet, Statement of Profit & Loss, Statement of Change in Equity and Cash Flow Statement with Significant Accounting Policies and explanatory Notes of Queo Bathroom Innovations Limited, a Subsidiary of Haas International B.V. as of 31-03-2019 and for the year then ended 31-03-2019. This special purpose financial information has been prepared solely to enable HSIL Limited to prepare its group financial statements.

Report on the Audit of the conversion of Financial Statements

Opinion

We have audited the accompanying special purpose financial statements of Queo Bathroom Innovations Limited, which comprise the balance sheet as at March 31, 2019, statement of Profit and Loss, Statement of Change in Equity and the statement of cash flows for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of their state of affairs as at March 31, 2019, loss and cash flows for the year then ended.

We conducted our audit in accordance with Standards on Auditing (SAs) which are comparable with International Standards on Auditing. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the special purpose Financial Statements section of our report. We are independent of the Group and its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.



Responsibilities of Management and Those Charged with Governance for the special Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these special purpose financial information in term of the requirements of the Companies Act, 2013 that give a true and fair view of the financial position, financial performance and cash flows of the Component in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act.

The Board of Directors of the Component are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Component and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Component, as aforesaid.

Auditor's Responsibilities for the Audit of the conversion of special purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements are converted as per the requirements of Ind AS-21 "the effects of changes in the foreign exchange rates" and are in conformity with generally accepted accounting principles and other recognised accounting practices and policies in India.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the special purpose audit and significant audit findings.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the special purpose financial statements of the current period and are therefore the key audit matters. We describe these matters in our special purpose auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Our opinion on the special purpose financial statements, and our special purpose auditor's report on Other Legal and Regulatory Requirements below, is not modified with respect to our reliance on the financial statements / financial information certified by the Management



Report on Other Legal and Regulatory Requirements

We report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid special purpose financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid special purpose financial statements have been kept so far as it appears from our examination of those books.
- c) The special purpose Balance Sheet, the special purpose Statement of Profit and Loss, and the special purpose Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the special purpose financial statements.

For V S S A & Associates
Chartered Accountants
Firm's Registration No. 012421N



(B.K. Raji)
Partner

Place: New Delhi
Date:30-04-2019

Membership No. 010490

QUEO BATHROOM INNOVATIONS LIMITED
Balance sheet as at 31 March 2019

Particulars	Note No.	As at 31 March 2019		As at 31 March 2018	
		INR	GBP	INR	GBP
A					
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment		-	-	-	-
(b) Capital work-in-progress		-	-	-	-
(c) Goodwill		-	-	-	-
(d) Other intangible assets		-	-	-	-
(e) Financial assets	2	3,575,779	38,475	-	-
(i) Investments		-	-	-	-
(ii) Loans		-	-	-	-
(f) Other non-current assets		-	-	-	-
Total non-current assets		3,575,779	38,475	-	-
2 Current assets					
(a) Inventories		-	-	-	-
(b) Financial assets		-	-	-	-
(i) Trade receivables		-	-	-	-
(ii) Cash and cash equivalents	3	23,717	257	87,209	945
(iii) Bank balances other than (ii) above		-	-	-	-
(iv) Loans	4	-	-	645,992	7,000
(v) Other financial assets		-	-	-	-
(c) Other current assets		-	-	-	-
Total current assets		23,717	257	733,201	7,945
Total assets (1+2)		3,599,496	38,732	733,201	7,945
B					
EQUITY AND LIABILITIES					
1 Equity					
(a) Equity Share capital	5(a)	79,749	952	79,656	951
(b) Other Equity	5(b)	3,312,845	35,538	(300,216)	(3,341)
Total equity		3,392,594	36,490	(220,560)	(2,390)
Liabilities					
2 Non-current liabilities					
(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		-	-	-	-
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	206,902	2,242	953,761	10,335
(b) Other current liabilities		-	-	-	-
(c) Provisions		-	-	-	-
(d) Current tax liabilities (Net)		-	-	-	-
Total current liabilities		206,902	2,242	953,761	10,335
Total equity and liabilities (1+2+3)		3,599,496	38,732	733,201	7,945

See accompanying notes to the financial statements

Dated: 30/04/2019
New Delhi

As per our report of even date
For V S S & Associates
Chartered Accountants
FIRM REGISTRATION NO. 017421N
NEW DELHI
Partner
Membership No. 091309

QUEO BATHROOM INNOVATIONS LIMITED
Statement of profit and loss for the year ended 31 March 2019

Particulars	Note no.	Year ended 31 March 2019		Year ended 31 March 2018	
		INR	GBP	INR	GBP
Continuing operations					
I Revenue from operations		-	-	-	-
II Other income	7	243,464	2,647	-	-
III Total revenue (I + II)		243,464	2,647	-	-
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	2	39,182	426	-	-
Other expenses	8	206,213	2,242	868,860	11,520
Total expenses (IV)		245,396	2,668	868,860	11,520
V Profit/(loss) before exceptional items and tax (III - IV)		(1,932)	(21)	(868,860)	(11,520)
Exceptional items					
VI Share of profit / (loss) of joint ventures and associates		-	-	-	-
(1) Share of profit / (loss) of joint ventures and associates		-	-	-	-
VII Profit/(loss) before tax		(1,932)	(21)	(868,860)	(11,520)
VIII Tax expense					
(1) Current tax		-	-	-	-
(2) Deferred tax		-	-	-	-
Total tax expense (VIII)		-	-	-	-
IX Profit/(loss) after tax (VII - VIII)		(1,932)	(21)	(868,860)	(11,520)
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)		(1,932)	(21)	(868,860)	(11,520)

See accompanying notes to the financial statements

Dated : 30/04/2019
New Delhi

As per our report of even date
For V.S.S.A & Associates
Chartered Accountants
FIRM REGISTRATION NO. 012421N
NEW DELHI
Partnership
Membership No. 091300

Cash flow statement for the year ended 31 March 2019

Particulars	Year ended	Year ended
	31 March 2019	31 March 2018
	INR	INR
Cash flows from operating activities		
Profit before tax	(1,932)	(868,860)
Adjustments for:		
Amortisation of intangible assets	39,182	-
Net foreign exchange (gain)/loss	37,072	(90,132)
	74,322	(958,993)
Movements in working capital:		
Increase in trade and other receivables	645,992	(582,987)
Decrease in trade and other payables	(746,859)	856,706
	(100,867)	273,719
Cash generated from operations	(26,545)	(685,273)
Income taxes paid	-	-
Net cash generated by operating activities	(26,545)	(685,273)
Cash flows from investing activities:		
Purchase of investments	-	-
Purchase of intangible assets	(3,614,961)	-
Net cash (used in)/generated by investing activities	(3,614,961)	-
	(3,641,506)	(685,273)
Cash flows from financing activities:		
Proceeds from borrowings	-	-
Proceeds from Issue of Share Capital	3,578,014	-
Net cash used in financing activities	3,578,014	-
	(63,492)	(685,273)
Net increase in cash and cash equivalents:		
Cash and cash equivalents at the beginning of the year	87,209	772,482
	87,209	772,482
Cash and cash equivalents at the end of the year	23,717	87,209

(0)

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

Dated: 30/04/2019
New Delhi

As per our report of even date
For V S A & Associates
Chartered Accountants
FIRM REGISTRATION NO. 012421N
NEW DELHI
Partner
Membership No. 091309



QUEO BATHROOM INNOVATIONS LIMITED

Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2019

Note 2. Other intangible assets	Description of assets	Trade mark		Total	
		INR	GBP	INR	GBP
	Cost				
	Balance as at 1 April 2018				
	Additions	3,614,961	38,901	3,614,961	38,901
	Deletion	-	-	-	-
	Balance as at 31 March 2019	3,614,961	38,901	4,116,045	62,066
	II. Accumulated amortisation				
	Balance as at 1 April 2018				
	For the year	39,182	426	39,182	426
	Deletion	-	-	-	-
	Balance as at 31 March 2019	39,182	426	39,182	426
	Net block (I-II)				
	Balance as on 31 March 2019	3,575,779	38,475	4,076,863	61,640

Note 3 - Cash and bank balances	As at 31 March 2019		As at 31 March 2018	
	INR	GBP	INR	GBP
Current Cash and bank balances				
(a) Balances with banks	23,717	257	87,209	945
Total cash and cash equivalent	23,717	257	87,209	945

Note 4 - Other Current assets (unsecured, considered good unless otherwise stated)	As at 31 March 2019		As at 31 March 2018	
	INR	GBP	INR	GBP
Other current assets				
(i) Prepayments				
(ii) Advance recoverable in cash or in kind	-	-	645,992	7,000
TOTAL	-	-	645,992	7,000

Note 5(a) Statement of changes in equity for the year ended 31 March 2019	As at 31 March 2019		As at 31 March 2018	
	INR	GBP	INR	GBP
a. Share capital				
Issued and paid up capital				
Opening balance	79,656	951	79,656	951
Changes in equity share capital during the year	93	1	-	-
Closing balance	79,749	952	79,656	951

Note 5(b) - Other equity	As at 31 March 2019		As at 31 March 2018	
	INR	GBP	INR	GBP
Reserves and surplus				
Security premium				
Opening balance	1,114,027	13,300	1,114,027	13,300
Changes during the year	3,577,921	38,900	-	-
Closing balance	4,691,948	52,200	1,114,027	13,300
Foreign currency translation reserve				
Opening balance	(96,201)	-	(6,069)	-
Changes during the year	37,072	-	(90,132)	-
Closing balance	(59,130)	-	(96,201)	-
Retained earning				
Opening balance	(1,318,042)	(16,641)	(449,182)	(5,121)
Changes during the year	(1,932)	(21)	(868,860)	(11,520)
Closing balance	(1,319,974)	(16,662)	(1,318,042)	(16,641)
Other comprehensive income for the year (net of income tax)	-	-	-	-
Total other equity	3,312,845	35,538	(300,216)	(3,341)

Note 6 Other financial liabilities	As at 31 March 2019		As at 31 March 2018	
	INR	GBP	INR	GBP
Current				
Others				
Creditors for expenses payable	206,902.07	2,242	953,761	10,335
Total other financial liabilities	206,902	2,242	953,761	10,335

Note 7 Other income	Year ended 31.03.2019		Year ended 31.03.2018	
	INR	GBP	INR	GBP
Excess liability written back	243,464	2,647	-	-
	243,464	2,647	-	-

Note 8 Other expenses	Year ended 31.03.2019		Year ended 31.03.2018	
	INR	GBP	INR	GBP
Miscellaneous expenses-Administrative	206,213	2,242	868,860	11,520
	206,213	2,242	868,860	11,520



QUEO Bathrooms Innovations Limited

SCHEDULE – A

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2018-19

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 the 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 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.

As per our report on even date

For V S S A & ASSOCIATES
CHARTERED ACCOUNTANTS



CA: B K RAJI
PARTNER
M.NO.010490

DATE: 30-04-2019
PLACE: NEW DELHI