

Independent Auditors' Report

To the Board of Directors
Jaysynth Dyestuff (India) Limited

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Jaysynth (Europe) Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Profit and Loss Statement and the Cash Flow Statement for the period 1st April, 2015 to 31st March, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records, safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

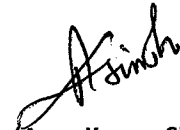
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the period 1st April, 2015 to 31st March, 2016.

- (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.
- (b) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



Place : Mumbai
Date : 16th May, 2016

For AJAY SHOBHA & CO.
Chartered Accountants
(Firm Registration No. 317031E)


(Arun Kumar Singh)

Partner
Membership No. 113591

JAYSYNTH (EUROPE) LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	(in £) As at 31st March 2016
Shareholder's Funds		
Shareholder's Funds		
Share Capital	1	11,75,000
Reserves and Surplus	2	55,178
Non-Current Liabilities		
Long Term Provisions		-
Deferred tax		-
Current Liabilities		
Trade Payables	3	43,238
Other Current Liabilities	4	9,705
Short-Term Provisions		-
TOTAL		12,83,121
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	5	3,182
Non-current investments		-
Long term loans and advances		-
Current Assets		
Inventories		2,47,045
Trade receivables	6	4,28,777
Cash and Bank balances		3,02,033
Short-term loans and advances		-
Other current assets	7	3,02,084
TOTAL		12,83,121
Significant Accounting Policies		
Notes on Financial Statements	1 to 11	

JAYSYNTH (EUROPE) LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(in £)

Particulars	Note	Year ended 31st March 2016
INCOME		
Sales Turnover		16,65,274
Other Income	8	27,896
Total Revenue		16,93,170
EXPENSES		
Purchase of Stock-in-Trade		14,84,413
Changes in inventories	9	(18,654)
Selling & Admin Expenses	10	1,47,213
Employee Benefit Expenses		39,321
Finance Cost	11	3,800
Depreciation and Amortization Expense		611
Total Expenses		16,56,704
Profit Before Tax		36,466
Tax expenses		
Current tax		32
Profit for the year		36,434

Significant Accounting Policies

Notes on Financial Statements

1 to 11

JAYSYNTH (EUROPE) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(in £)

Year ended

March 31, 2016

A. Cash flow from operating activities:

Net profit before tax and extraordinary items	36,434
Adjustments for :	
Depreciation	611
Operating profit before working capital changes	37,045
Inventories	(18,654)
Trade and other receivables	16,575
Trade and other payables	17,909
Cash generated from operations	52,875
Interest & finance charges paid (Net)	
Direct taxes	32
Net cash from operating activities	52,907

B. Cash flow from financing activities:

-

C. Cash flow from investing activities:

-

Net increase/(decrease) in cash and cash equivalents	52,907
Opening Cash and cash equivalents	2,49,126
Closing Cash and cash equivalents	3,02,033

Jaysynth (Europe) Limited

SIGNIFICANT ACCOUNTING POLICIES

A. Basis Of Preparation Of Financial Statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention.

B. Use Of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

C. Inventories

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

D. Fixed Assets

Tangible Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price and any other cost directly attributable to bringing the asset to its working condition for its intended use.

E. Depreciation

Depreciation is provided at the annual rates in order to write off each asset over its estimated useful life.

F. Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

G. Foreign Currency Transactions

- i. Transactions denominated in foreign currency are recorded at the exchange rate prevailing at the time of transaction or that approximates the actual rate on the date of the transaction.
- ii. Monetary items denominated in foreign currency at the year end are restated at the year end rates.

- iii. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

H. Sales Turnover Recognition

Sales turnover is recognised when the significant risk & rewards of ownership of goods have passed to the buyer which generally coincides with the delivery. Sales/turnover for the year represents net invoiced sales of goods excluding vales added tax.

I. Employee benefits

- i. Short-term employee benefits are recognized as an expense in the Profit & Loss A/c in the year in which the related services are rendered.
- ii. The Company's contribution to social security is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

J. Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period.

K. Provisions , Contingent Liabilities And Contingent Assets

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

L. Trade Receivables

Trade receivables are stated after making adequate provision for bad debt & doubtful debts.

JAYSYNTH (EUROPE) LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

(in £)

As at 31.3.2016

Note : 1 Share Capital

11,75, 000 no of ordinary share of £ 1/- each

11,75,000

11,75,000

Note : 2 Reserves & Surplus

Surplus in statement of Profit & Loss Account

Balance brought forward from previous year

18,744

Add: Profit for the year

36,434

Total

55,178

Note : 3 Trade Payables

Trade creditors

43,238

Total

43,238

Note : 4 Other Current Liabilities

Tax

32

Social security and other taxes

3,455

Other creditors

1,068

Accrued expenses

5,150

Total

9,705

Note : 6 Trade Receivables

Trade debtors

4,28,777

Total

4,28,777

Note : 7 Other Current Assets

Advances

2,72,646

VAT

29,254

Prepaid expenses

184

Total

3,02,084

Note : 8 Other Income

Interest earned

161

Employment allowance

2,000

Surplus on exchange rate

25,735

Total

27,896

JAYSYNTH (EUROPE) LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

Note : 5 Tangible Fixed Assets

(in £)

Particulars	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£
COST				
At 1 April 2015	10,365	10,767	4,200	25,332
and 31 March 2016				
DEPRECIATION				
At 1 April 2015	7,593	10,167	3,779	21,539
Charge for year	416	90	105	611
At 31 March 2016	8,009	10,257	3,884	22,150
NET BOOK VALUE				
At 31 March 2016	2,356	510	316	3,182
At 31 March 2015	2,772	600	421	3,793

JAYSYNTH (EUROPE) LIMITED

Notes to the Financial Statements for the year ended 31st March, 2016

(in £)

As at 31.3.2016

Note : 9 Changes in inventories

Inventories at the end of the year

Finished Goods	2,47,045
	<u>2,47,045</u>

Inventories at the beginning of the year

Finished Goods	2,28,391
	<u>2,28,391</u>

Net (increase) / decrease	<u>(18,654)</u>
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Note : 10 Selling & Admin Expenses

Auditors Remuneration	4,475
Insurance Expenses	1,984
Bad Debts	26,062
Telephone Expenses	2,359
Exhibition expenses	2,092
Computer expenses	536
Social Security	3,299
Subscription & sundry expenses	1,297
Freight, transport and distribution expenses	9,235
Clearance and carriages inward	15,771
Distribution	25,945
Duties	27,746
Lab Consumable	850
Rebates & commission	8,246
storage and handling	5,465
Professional Charges	4,898
Printing & Stationery Expenses	2,393
Rent & rates	4,560
Total	<u>1,47,213</u>

Note : 11 Finance Cost

Bank Charges	3,800
	<u>3,800</u>