

## **Independent Auditors' Report**

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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 31<sup>st</sup> March, 2017, the Profit and Loss Statement and the Cash Flow Statement for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017, and its profit and its cash flows for the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

- (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.

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



**(Arun Kumar Singh)**

**Partner**

**Membership No. 113591**

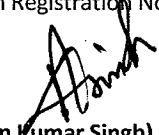
**Place : Mumbai**

**Date : 16<sup>th</sup> May, 2017**

**JAYSYNTH (EUROPE) LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2017**

			(in £)
	Note	As at 31st March 2017	As at 31st March 2016
<b>Shareholder's Funds</b>			
Shareholder's Funds			
Share Capital	1	11,75,000	11,75,000
Reserves and Surplus	2	1,73,984	55,178
<b>Non-Current Liabilities</b>			
Long Term Provisions			-
Deferred tax			-
<b>Current Liabilities</b>			
Trade Payables	3	4,493	43,238
Other Current Liabilities	4	25,218	9,705
Short-Term Provisions		-	-
<b>TOTAL</b>		<b>13,78,695</b>	<b>12,83,121</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	5	2674	3,182
Non-current investments			-
Long term loans and advances			-
<b>Current Assets</b>			
Inventories		2,49,094	2,47,045
Trade receivables	6	4,49,128	4,28,777
Cash and Bank balances		4,69,770	3,02,033
Short-term loans and advances			-
Other current assets	7	2,08,029	3,02,084
<b>TOTAL</b>		<b>13,78,695</b>	<b>12,83,121</b>
<b>Significant Accounting Policies</b>			
<b>Notes on Financial Statements</b>	1 to 12		

As per our Report of even date  
**FOR AJAY SHOBHA & CO.**  
 CHARTERED ACCOUNTANTS  
 (Firm Registration No. 317031E)

  
 (Arun Kumar Singh)  
 Partner  
 Membership No. 113591



Place : Mumbai  
 Date : 16th May, 2017

For and on behalf of the Board of Directors

  
 Rajesh Pal  
 Director

# JAYSYNTH (EUROPE) LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

		(in £)	
Particulars	Note	Year ended 31st March 2017	Year ended 31st March 2016
<b>INCOME</b>			
Sales Turnover		18,58,240	16,65,274
Other Income	8	65,867	27,896
<b>Total Revenue</b>		<b>19,24,107</b>	<b>16,93,170</b>
<b>EXPENSES</b>			
Purchase of Stock-in-Trade		15,79,841	14,84,413
Changes in inventories	9	(2,049)	(18,654)
Selling & Admin Expenses	10	1,67,415	1,47,213
Employee Benefit Expenses	11	38,590	39,321
Finance Cost	12	4,426	3,800
Depreciation and Amortization Expense	5	509	611
<b>Total Expenses</b>		<b>17,88,732</b>	<b>16,56,704</b>
Profit Before Tax		1,35,375	36,466
<b>Tax expenses</b>			
Current tax		16,569	32
<b>Profit for the year</b>		<b>1,18,806</b>	<b>36,434</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 12

As per our Report of even date  
FOR AJAY SHOBHA & CO.  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 317031E)

(Arun Kumar Singh)  
Partner  
Membership No. 113591



For and on behalf of the Board of Directors

Rajesh Pal  
Director

Place : Mumbai  
Date : 16th May, 2017

# JAYSYNTH (EUROPE) LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(in £)	
	<u>Year ended</u> <u>March 31, 2017</u>	<u>Year ended</u> <u>March 31, 2016</u>
<b>A. Cash flow from operating activities:</b>		
Net profit before tax and extraordinary items	1,18,806	36,434
Adjustments for :		
Depreciation	509	611
<b>Operating profit before working capital changes</b>	<b>1,19,315</b>	<b>37,045</b>
Inventories	(2,049)	(18,654)
Trade and other receivables	73,704	16,575
Trade and other payables	-39,801	17,909
<b>Cash generated from operations</b>	<b>1,51,169</b>	<b>52,875</b>
Interest & finance charges paid (Net)		
Direct taxes	16,569	32
<b>Net cash from operating activities</b>	<b>1,67,738</b>	<b>52,907</b>
<b>B. Cash flow from financing activities:</b>	-	-
<b>C. Cash flow from investing activities:</b>	-	-
Net increase/(decrease) in cash and cash equivalents	1,67,738	52,907
Opening Cash and cash equivalents	3,02,033	2,49,126
<b>Closing Cash and cash equivalents</b>	<b>4,69,771</b>	<b>3,02,033</b>


As per our Report of even date  
FOR AJAY SHOBHA & CO.  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 317031E)

(Arup Kumar Singh)  
Partner  
Membership No. 113591



Place : Mumbai  
Date : 16th May, 2017

For and on behalf of the Board of Directors

  
Rajesh Pal  
Director

## 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, 2017

	(in £)	
	As at 31.3.2017	As at 31.3.2016
<b>Note : 1 Share Capital</b>		
11,75, 000 no of ordinary share of £ 1/- each	11,75,000	11,75,000
	<u>11,75,000</u>	<u>11,75,000</u>
<b>Note : 2 Reserves &amp; Surplus</b>		
<u>Surplus in statement of Profit &amp; Loss Account</u>		
Balance brought forward from previous year	55,178	18,744
Add: Profit for the year	1,18,806	36,434
<b>Total</b>	<u>1,73,984</u>	<u>55,178</u>
<b>Note : 3 Trade Payables</b>		
Trade creditors	4,493	43,238
<b>Total</b>	<u>4493</u>	<u>43,238</u>
<b>Note : 4 Other Current Liabilities</b>		
Tax	16,569	32
Social security and other taxes	2,292	3,455
Other creditors	1,068	1,068
Accrued expenses	5,289	5,150
<b>Total</b>	<u>25,218</u>	<u>9,705</u>
<b>Note : 6 Trade Receivables</b>		
Trade debtors	4,49,128	4,28,777
<b>Total</b>	<u>4,49,128</u>	<u>4,28,777</u>
<b>Note : 7 Other Current Assets</b>		
Advances	1,81,315	2,72,646
VAT	26,534	29,254
Prepaid expenses	180	184
<b>Total</b>	<u>2,08,029</u>	<u>3,02,084</u>
<b>Note : 8 Other Income</b>		
Interest earned	162	161
Employment allowance	3,000	2,000
Surplus on exchange rate	62,705	25,735
<b>Total</b>	<u>65,867</u>	<u>27,896</u>



**JAYSYNTH (EUROPE) LIMITED****Notes to the Financial Statements for the year ended 31st March, 2017****Note : 5 Tangible Fixed Assets**

(in £)

Particulars	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£
<b>COST</b>				
At 1 April 2016	10,365	10,767	4,200	25,332
and 31 March 2017				
<b>DEPRECIATION</b>				
At 1 April 2016	8,009	10,257	3,884	22,150
Charge for year	353	76	79	509
At 31 March 2017	8,362	10,333	3,963	22,659
<b>NET BOOK VALUE</b>				
At 31 March 2017	2,003	434	237	2,674
At 31 March 2016	2,356	510	316	3,182

