

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, 2018, the Profit and Loss Statement and the Cash Flow Statement for the period 1st April, 2017 to 31st March, 2018, 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.



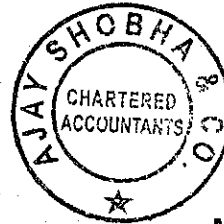
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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, 2018, and its profit and its cash flows for the period 1st April, 2017 to 31st March, 2018.

- (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 : 14th May, 2018

JAYSYNTH (EUROPE) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

(in £)

Particular	Note	As at 31st Mar, 2018	As at 31st Mar, 2017
A ASSETS			
1) Non-current asset			
a) Property, plant & equipment	2	2,071	2,674
b) Financial assets			
c) Other Non-current assets			
Total non-current assets		2,071	2,674
2) Current assets			
a) Inventories	3	3,68,480	2,49,094
b) Financial assets			
i) Trade receivables	4	6,71,637	4,49,128
ii) Cash and cash equivalents			
iii) Bank balances other than cash and cash equiv	5	1,35,732	4,69,770
c) Other current assets	6	2,05,276	2,08,029
Total current assets		13,81,125	13,76,021
Total assets		13,83,196	13,78,695
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital		11,75,000	11,75,000
b) Other Equity	7	1,92,132	1,73,984
Total equity		13,67,132	13,48,984
Liabilities			
1) Non-current Liabilities			
a) Financial liabilities			
b) Provisions			
c) Deferred tax liabilities (net)			
Total non-current liabilities			
2) Current liabilities			
a) Financial liabilities			
i) Trade payable	8	4,583	5,561
ii) Other financial liabilities	9	4,855	5,289
b) Other current liabilities	10	2,228	2,292
c) Provisions	11	4,398	16,569
Total current liabilities		16,064	29,711
Total liabilities		16,064	29,711
Total equity and liabilities		13,83,196	13,78,695

The accompanying Notes form an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board of Directors

FOR AJAY SHOBHA & CO.

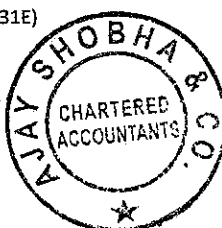
CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

(Arun Kumar Singh)

Partner

Membership No. 113591



Rajesh Pal
Director

Place : Mumbai

Date : 14th May, 2018

JAYSYNTH (EUROPE) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(in £)

Particulars	Note	Year ended 31st Mar, 2018	Year ended 31st Mar, 2017
Income			
Revenue from operations	12	16,49,323	18,58,240
Other income	13	3,564	65,867
Total income		16,52,887	19,24,107
Expenses			
Cost of materials consumed			
Purchase of stock-in-trade		15,46,035	15,79,841
Changes in inventories of finished	14	(1,19,386)	(2,049)
Employee benefit expenses	15	38,060	38,590
Finance costs		-	-
Depreciation and amortisation expenses	2	366	509
Other expenses	16	1,65,266	1,71,841
Total expenses		16,30,341	17,88,732
Profit before exceptional items and tax		22,546	1,35,375
Exceptional items		-	-
Profit before tax		22,546	1,35,375
Tax expense			
Current tax		4,398	16,569
Deferred tax			
Tax Expenses related to prior year			
Total tax expense		4,398	16,569
Profit for the year		18,148	1,18,806
Other Comprehensive Income			
Items that will not be reclassified to profit and loss		-	-
Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the year		18,148	1,18,806
Basic and diluted earning ` per Equity share of ` 1 each			

The accompanying Notes form an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board of Directors

FOR AJAY SHOBHA & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

(Arun Kumar Singh)

Partner

Membership No. 113591



Place : Mumbai

Date : 14th May, 2018


 Rajesh Pal
 Director

JAYSYNTH (EUROPE) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A Equity Share Capital		(in £)
Particular		Amount
As at 31st March, 2017		11,75,000
Changes in Equity share capital during the year		-
As at 31st March, 2018		11,75,000

B Other Equity		
Particulars	Retained Earning	
	31.03.2018	31.03.2017
Opening Reserves	1,73,984	55,178
Profit for the year	18,148	1,18,806
Transfer to reserve		-
Addition /(Deduction) to reserve		-
Other Comprehensive Income		-
Balance at the end	1,92,132	1,73,984

The accompanying Notes form an integral part of the Financial Statements

As per our Report of even date

For and on behalf of the Board of Directors

FOR AJAY SHOBHA & CO.

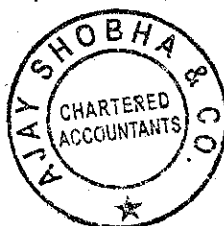
CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

(Arun Kumar Singh)

Partner

Membership No. 113591



Place : Mumbai

Date : 14th May, 2018

Rajesh Pal
Director

JAYSYNTH (EUROPE) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(in £)

	Year ended 31st March, 2018	Year ended 31st March, 2017
A Cash flow from operating activities:		
Net profit before tax and extraordinary items	22,546	1,35,375
Adjustments for :		
Depreciation	366	509
(Profit) / Loss on sale of fixed assets	237	-
(Profit) / Loss on sale of investments		
Dividend Received		
Provision for Diminution of Value of Investment		
Operating profit before working capital changes	23,149	1,35,884
Inventories	(1,19,386)	(2,049)
Trade and other receivables	(2,19,756)	73,704
Trade and other payables	(1,476)	(39,801)
Cash generated from operations	(3,17,469)	1,67,738
Interest & finance charges paid (Net)		
Direct taxes	16,569	-
Net cash from operating activities	(3,34,038)	1,67,738
B Cash flow from investing activities :		
Purchase of fixed assets		
Sale of fixed assets		
Purchase of investments		
Sale of investments		
Dividend Received		
Net cash Generated in investing activity	-	-
C Cash flow from financing activities :		
Payment of Dividend		
Net cash used in financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(3,34,038)	1,67,738
Opening Cash and cash equivalents	4,69,771	3,02,033
Closing Cash and cash equivalents	1,35,733	4,69,771

As per our Report of even date

For and on behalf of the Board of Directors

FOR AJAY SHOBHA & CO.

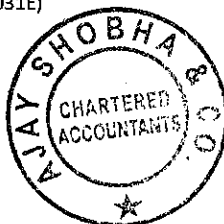
CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

(Arun Kumar Singh)

Partner

Membership No. 113591



Place : Mumbai

Date : 14th May, 2018

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

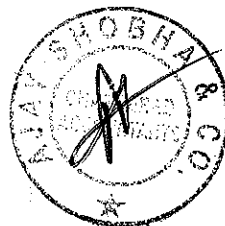
Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal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

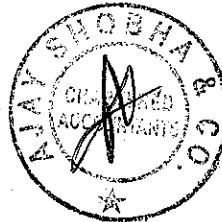
L. Trade Receivables

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



2. TANGIBLE FIXED ASSETS

Particulars	Exch. Rate	Plant & Machinery £	Furniture and Fixtures £	Motor Vehicles £	Total £
COST					
As on 1st April, 2017	99.8498	10,365.00	10,767.00	4,200.00	25,332.00
As on 31st March, 2018					-
Disposal				4,200.00	4,200.00
		10,365.00	10,767.00	-	21,132.00
DEPRECIATION					
As on 1st April, 2017		8,362.00	10,333.00	3,963.00	22,658.00
Charge for year	86.5822	301.00	65.00		366.00
				3,963.00	3,963.00
		8,663.00	10,398.00	-	19,061.00
As on 31st March, 2018					
NET BOOK VALUE					
As on 31st March, 2018		1,702.00	369.00	-	2,071.00
As on 31st March, 2017		2,003.00	434.00	237.00	2,674.00

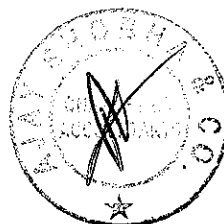


JAYSYNTH (EUROPE) LIMITED

Notes to the Financial Statements for the year ended 31st March, 2018

(in £)

	As at 31.3.2018	As at 31.3.2018
Note 3 : Inventories		
Stock in Trade	3,68,480	2,49,094
	<u>3,68,480</u>	<u>2,49,094</u>
 Note 4 : Trade Receivable		
Trade Debtors	4,04,280	4,49,128
Other Debtors	2,67,357	
	<u>6,71,637</u>	<u>4,49,128</u>
 Note 5 : Bank balances other than cash and cash equivalents above		
Cash at Bank	1,35,732	4,69,770
	<u>1,35,732</u>	<u>4,69,770</u>
 Note 6 : Other current assets		
VAT	19,681	26,534
Prepayments	228	180
Other Debtors	1,85,367	1,81,315
	<u>2,05,276</u>	<u>2,08,029</u>
 Note 7 : Other Equity		
<u>Surplus in statement of Profit & Loss Account</u>		
Balance brought forward from previous year	1,73,984	55,178
Add: Profit for the year	18,148	1,18,806
	<u>1,92,132</u>	<u>1,73,984</u>
 Note 8 : Trade Payable		
Trade Creditors	3,515	4,493
Other Creditors	1,068	1,068
	<u>4,583</u>	<u>5,561</u>
 Note 9 : Other financial liabilities		
Accrued expenses	4,855	5,289
	<u>4,855</u>	<u>5,289</u>
 Note 10 : Other current liabilities		
Social Security and other taxes	2,228	2,292
	<u>2,228</u>	<u>2,292</u>
 Note 11 : Provisions		
Tax	4,398	16,569
	<u>4,398</u>	<u>16,569</u>



JAYSYNTH (EUROPE) LIMITED**Notes to the Financial Statements for the year ended 31st March, 2018**

(in £)

As at 31.3.2018 As at 31.3.2018

Note 12 : Revenue from operations

Sales	16,49,323	18,58,240
	16,49,323	18,58,240

Note 13 : Other Income

(Surplus)/deficit on exchange rates		62,705
Employment Allowance	3,000	3,000
Deposit account interest	801	162
Loss on Disposal of fixed assets - Motor Car	(237)	-
	3,564	65,867

Note 14 : Changes in inventories of finished goods, work-in-progress and stock-in-tradeInventories at the end of the year

Finished Goods	3,68,480	2,49,094
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Inventories at the beginning of the year

Finished Goods	2,49,094	2,47,045
	(1,19,386)	(2,049)

Note 15 : Employee Benefit Expenses

Directors Salaries	30,000	27,900
Directors Pension	260	-
Office salaries	7,800	10,690
	38,060	38,590

Note 16 : Other Expenses

Clearance & carriage inward	10,096	20,185
Distribution	37,667	50,180
Duties	15,662	13,413
Rebates & Commission	450	15,480
Storage & handling	6,399	6,001
(Surplus)/deficit on exchange rates	24,069	-
Rent & rates	4,560	4,560
Insurance	1,779	2,121
Other Misc. Exp.	18,118	39,849
Post & stationery	2,033	1,184
Travel & entertaining cost	5,778	9,798
Fraud transaction (Note 16.1)	31,844	-
Profession Expenses	6,286	9,070
Bad debts	525	-
	1,65,266	1,71,841

Note 16.1 - During the year the fraud transaction against the company amounting to £ 31,844 on account of fraudulent payment has been accounted for and the same has been shown separately in Profit & Loss A/c

As per our Report of even date

FOR AJAY SHOBHA & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 817031E)

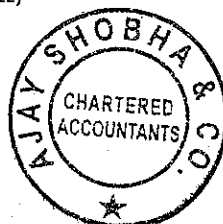
(Arun Kumar Singh)

Partner

Membership No. 113591

Place : Mumbai

Date : 14th May, 2018



For and on behalf of the Board of Directors


 Rajesh Pal
 Director