

AJAY SHOBHA & CO.

301, Krishna Kunj Complex, Opp. Sahara Market, Silvasa, Vapi, Gujarat – 396 191

Mob. No. 85115 96187, Email: aksingh1825@rediffmail.com

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, 2019, the Profit and Loss Statement and the Cash Flow Statement for the period 1st April, 2018 to 31st March, 2019, 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.

Kolkata Office: 5/4, Clive Row, 4th Floor, Room No. 116, Kolkata – 700 001

Mumbai Office: A-701, LA-Chapelle, Evershine Nagar, Malad (W), Mumbai – 400 064

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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, 2019, and its profit and its cash flows for the period 1st April, 2018 to 31st March, 2019.

- (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 : 18th May, 2019

Kolkata Office: 5/4, Clive Row, 4th Floor, Room No. 116, Kolkata – 700 001

Mumbai Office: A-701, LA-Chapelle, Evershine Nagar, Malad (W), Mumbai – 400 064

JAYSYNTH (EUROPE) LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

(in ₹)

Particular	Note	As at 31st Mar, 2019	As at 31st Mar, 2018
A ASSETS			
1) Non-current asset			
a) Property, plant & equipment	2	1,760	2,071
b) Financial assets			
c) Other Non-current assets			
Total non-current assets		1,760	2,071
2) Current assets			
a) Inventories	3	4,19,852	3,68,480
b) Financial assets			
i) Trade receivables	4	4,91,479	6,71,637
ii) Cash and cash equivalents			
iii) Bank balances other than cash and cash equiva	5	3,08,687	1,35,732
c) Other current assets	6	2,33,587	2,05,276
Total current assets		14,53,604	13,81,125
Total assets		14,55,364	13,83,196
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital		11,75,000	11,75,000
b) Other Equity	7	2,45,608	1,92,132
Total equity		14,20,608	13,67,132
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	13,508	4,583
ii) Other financial liabilities	9	4,855	4,855
b) Other current liabilities	10	3,776	2,228
c) Provisions	11	12,617	4,398
Total current liabilities		34,756	16,064
Total liabilities		34,756	16,064
Total equity and liabilities		14,55,364	13,83,196

The accompanying Notes form an integral part of the Financial Statements

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As per our Report of even date

For and on behalf of the Board of Directors

FOR AJAY SHOBHA & CO.

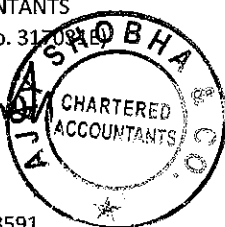
CHARTERED ACCOUNTANTS

(Firm Registration No. 317094)

(Arun Kumar Singh)

Partner

Membership No. 113591



Rajesh Pal
Director

Place : Mumbai

Date : 18th May, 2019

JAYSYNTH (EUROPE) LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(in £)

Particulars	Note	Year ended 31st Mar, 2019	Year ended 31st Mar, 2018
Income			
Revenue from operations	12	17,93,861	16,49,323
Other income	13	1,346	3,564
Total income		17,95,207	16,52,887
Expenses			
Cost of materials consumed			
Purchase of stock-in-trade		16,26,037	15,46,035
Changes in inventories of finished	14	(51,372)	(1,19,386)
Employee benefit expenses	15	41,135	38,060
Finance costs	16	1,316	4,159
Depreciation and amortisation expenses	2	310	366
Other expenses	17	1,08,324	1,58,094
Total expenses		17,25,750	16,27,328
Profit before exceptional items and tax		69,457	25,559
Exceptional items			
Profit before tax		69,457	25,559
Tax expense			
Current tax		12,617	4,398
Deferred tax			
Tax Expenses related to prior year			
Total tax expense		12,617	4,398
Profit for the year		56,840	21,161
Other Comprehensive Income			
Items that will not be reclassified to profit and loss		-3,364	-3,013
Other Comprehensive Income, net of tax		-3,364	-3,013
Total Comprehensive Income for the year		53,476	18,148
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.

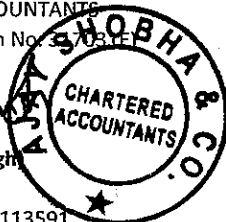
CHARTERED ACCOUNTANTS

(Firm Registration No. 37031E)

(Arun Kumar Singh)

Partner

Membership No. 113591



(Signature)

Rajesh Pal
Director

Place : Mumbai

Date : 18th May, 2019

JAYSYNTH (EUROPE) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(in £)

	Year ended 31st March, 2019	Year ended 31st March, 2018
A Cash flow from operating activities:		
Net profit before tax and extraordinary items	69,457	25,559
Adjustments for :		
Other Comprehensive Income	-3,364	-3,013
Depreciation	310	366
(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	66,403	23,149
Inventories	(51,372)	(1,19,386)
Trade and other receivables	1,51,848	(2,19,756)
Trade and other payables	10,473	(1,476)
Cash generated from operations	1,77,352	-3,17,469
Interest & finance charges paid (Net)		
Direct taxes	4,398	16,569
Net cash from operating activities	1,72,954	-3,34,038
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	1,72,954	-3,34,038
Opening Cash and cash equivalents	1,35,733	4,69,771
Closing Cash and cash equivalents	3,08,687	1,35,733

As per our Report of even date

FOR AJAY SHOBHA & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 317031F)


 (Arun Kumar Singh)
 Partner

Membership No. 113591



For and on behalf of the Board of Directors


 Rajesh Pal
 Director

Place : Mumbai

Date : 18th May, 2019

JAYSYNTH (EUROPE) LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A Equity Share Capital		(in £)
Particular		Amount
As at 31st March, 2018		11,75,000
Changes in Equity share capital during the year		-
As at 31st March, 2019		11,75,000

B Other Equity			
Particulars	Retained Earning	Other Comprehensive income	Total Other Equity
As at 1st April, 2017	1,73,984		1,73,984
Profit for the year	21,161		21,161
Transfer to reserve			-
Addition /(Deduction) to reserve			-
Other Comprehensive Income		-3,013	-3,013
As at 31st March, 2018	1,95,145	-3,013	1,92,132
Profit for the year	56,840	-	56,840
Transfer to reserve		-	-
Addition /(Deduction) to reserve		-	-
Other Comprehensive Income		-3,364	-3,364
As at 31st March, 2019	2,51,985	-6,377	2,45,608

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.

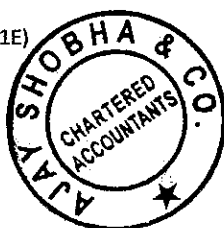
CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

(Arun Kumar Singh)

Partner

Membership No. 113591



Rajesh Pal
Director

Place : Mumbai

Date : 18th May, 2019

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, 2018	99.8498	10,365.00	10,767.00	-	21,132.00
As on 31st March, 2019					-
Disposal				-	-
		10,365.00	10,767.00	-	21,132.00
DEPRECIATION					
As on 1st April, 2018		8,663.00	10,398.00	-	19,061.00
Charge for year	86.5822	255.00	56.00	-	311.00
				-	-
		8,918.00	10,454.00	-	19,372.00
As on 31st March, 2019					
NET BOOK VALUE					
As on 31st March, 2019		1,447.00	313.00	-	1,760.00
As on 31st March, 2018		1,702.00	369.00	-	2,071.00



JAYSYNTH (EUROPE) LIMITED**Notes to the Financial Statements for the year ended 31st March, 2019**

	(in ₹)	
	As at 31.3.2019	As at
Note 3 : Inventories		
Stock in Trade	4,19,852	3,68,480
	<u>4,19,852</u>	<u>3,68,480</u>
Note 4 : Trade Receivable		
Trade Debtors	4,29,525	4,04,280
Other Debtors	61,954	2,67,357
	<u>4,91,479</u>	<u>6,71,637</u>
Note 5 : Bank balances other than cash and cash equivalents above		
Cash at Bank	3,08,687	1,35,732
	<u>3,08,687</u>	<u>1,35,732</u>
Note 6 : Other current assets		
VAT	15,034	19,681
Prepayments	5,796	228
Other Debtors	2,12,757	1,85,367
	<u>2,33,587</u>	<u>2,05,276</u>
Note 7 : Other Equity		
Retained Earning		
Opening balance	1,95,145	1,73,984
Add : Profit for the year	56,840	21,161
	<u>2,51,985</u>	<u>1,95,145</u>
Other Comprehensive Income Reserve		
Opening Balance OCI	-3,013	-
Addition During the Year	-3,364	-3,013
	<u>-6,377</u>	<u>-3,013</u>
	<u>2,45,608</u>	<u>1,92,132</u>
Note 8 : Trade Payable		
Trade Creditors	12,440	3,515
Other Creditors	1,068	1,068
	<u>13,508</u>	<u>4,583</u>
Note 9 : Other financial liabilities		
Accrued expenses	4,855	4,855
	<u>4,855</u>	<u>4,855</u>
Note 10 : Other current liabilities		
Social Security and other taxes	3,776	2,228
	<u>3,776</u>	<u>2,228</u>
Note 11 : Provisions		
Tax	12,617	4,398
	<u>12,617</u>	<u>4,398</u>



JAYSYNTH (EUROPE) LIMITED**Notes to the Financial Statements for the year ended 31st March, 2019**

(in ₹)

As at
31.3.2018

As at 31.3.2019

Note 12 : Revenue from operations

Sales	17,93,861	16,49,323
	<u>17,93,861</u>	<u>16,49,323</u>

Note 13 : Other Income

(Surplus)/deficit on exchange rates	-	-
Employment Allowance	-	3,000
Deposit account interest	1,346	801
Loss on Disposal of fixed assets - Motor Car	-	(237)
	<u>1,346</u>	<u>3,564</u>

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

Finished Goods	4,19,852	3,68,480
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Inventories at the beginning of the year

Finished Goods	3,68,480	2,49,094
	<u>(51,372)</u>	<u>(1,19,386)</u>

Note 15 : Employee Benefit Expenses

Directors Salaries	32,800	30,000
Directors Pension	535	260
Office salaries	7,800	7,800
	<u>41,135</u>	<u>38,060</u>

Note 16 : Finance costs

Bank Charges	1,227.00	4,159
Deferment Fee	89.00	-
	<u>1,316</u>	<u>4,159</u>

Note 17 : Other Expenses

Clearance & carriage inward	6,614	10,096
Distribution	27,751	37,667
Duties	2,980	15,662
Rebates & Commission	2,674	450
Storage & handling	9,480	6,399
(Surplus)/deficit on exchange rates	-12,680	24,069
Rent & rates	4,455	4,560
Insurance	5,961	1,779
Advertisement & Sales Promotion Expenses	21,742	8,474
Other Misc. Exp.	794	707
Telephone Expenses	1,882	1,765
Post & stationery	917	2,033
Travel & entertaining cost	10,409	5,778
Fraud transaction (Note 16.1)	-	31,844
Profession Expenses	5,566	6,286
Bad debts	19,779	525
	<u>1,08,324</u>	<u>1,58,094</u>

As per our Report of even date

FOR AJAY SHOBHA & CO.

CHARTERED ACCOUNTANTS


(Firm Registration No. 311031E)

(Arun Kumar Singh)

Partner

Membership No. 113591

For and on behalf of the Board of Directors


 Rajesh Pal
 Director

Place : Mumbai

Date : 18th May, 2019