



**Ajay Shobha & Co.**  
Chartered Accountants

301, Krishna Kunj Complex,  
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## 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 31<sup>st</sup> March, 2022, the Profit and Loss Statement and the Cash Flow Statement for the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, 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.





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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, 2022, and its profit and its cash flows for the period 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

- (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 : 20<sup>th</sup> May, 2022



# 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  
BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022

(in ₹)			
Particular	Note	As at 31st Mar, 2022	As at 31st Mar, 2021
<b>A ASSETS</b>			
1) Non-current asset			
a) Property, plant & equipment	2	1,080	1,271
b) Financial assets			
c) Other Non-current assets			
<b>Total non-current assets</b>		<b>1,080</b>	<b>1,271</b>
2) Current assets			
a) Inventories	3	6,29,306	3,25,546
b) Financial assets			
i) Trade receivables	4	7,44,310	6,14,385
ii) Cash and cash equivalents			
iii) Bank balances other than cash and cash equivalents above	5	53,527	2,88,624
c) Other current assets	6	29,233	31,749
<b>Total current assets</b>		<b>14,56,376</b>	<b>12,60,304</b>
<b>Total assets</b>		<b>14,57,456</b>	<b>12,61,575</b>
<b>B EQUITY AND LIABILITIES</b>			
Equity			
a) Equity share capital	7	5,87,500	5,87,500
b) Other Equity	8	3,41,118	3,24,853
<b>Total equity</b>		<b>9,28,618</b>	<b>9,12,353</b>
Liabilities			
1) Non-current Liabilities			
a) Financial liabilities			
i) Borrowings	9	34,166	41,667
b) Provisions			
c) Deferred tax liabilities (net)			
<b>Total non-current liabilities</b>		<b>34,166</b>	<b>41,667</b>
2) Current liabilities			
a) Financial liabilities			
i) Borrowings	9	10,000	8,333
ii) Trade payable	10	42,245	72,217
iii) Other financial liabilities	11	5,535	4,975
b) Other current liabilities	12	4,32,641	2,07,991
c) Provisions		4,251	14,039
<b>Total current liabilities</b>		<b>4,94,672</b>	<b>3,07,555</b>
<b>Total liabilities</b>		<b>5,28,838</b>	<b>3,49,222</b>
<b>Total equity and liabilities</b>		<b>14,57,456</b>	<b>12,61,575</b>

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 : 20<sup>th</sup> May, 2022



Rajesh Pal  
Director

## JAYSYNTH (EUROPE) LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

(in £)

Particulars	Note	Year ended 31st Mar, 2022	Year ended 31st Mar, 2021
<b>Income</b>			
Revenue from operations	13	29,36,742	22,41,402
Other income	14	4	10,514
<b>Total income</b>		<b>29,36,746</b>	<b>22,51,916</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchase of stock-in-trade		30,52,554	20,81,709
Changes in inventories of finished	15	(3,03,760)	(83,904)
Employee benefit expenses	16	40,188	37,853
Finance costs	17	1,601	1,241
Depreciation and amortisation expenses	2	191	225
Other expenses	18	1,21,259	1,37,508
<b>Total expenses</b>		<b>29,12,033</b>	<b>21,74,632</b>
<b>Profit before exceptional items and tax</b>		<b>24,713</b>	<b>77,284</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>24,713</b>	<b>77,284</b>
<b>Tax expense</b>			
Current tax		4,251	14,039
Deferred tax			
Tax Expenses related to prior year			
<b>Total tax expense</b>		<b>4,251</b>	<b>14,039</b>
<b>Profit for the year</b>		<b>20,462</b>	<b>63,245</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit and loss		(4,197)	(3,617)
<b>Other Comprehensive Income, net of tax</b>		<b>(4,197)</b>	<b>(3,617)</b>
<b>Total Comprehensive Income for the year</b>		<b>16,265</b>	<b>59,628</b>

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 &amp; CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

(Arjun Kumar Singh)

Partner

Membership No. 113591



Rajesh Pal  
Director

Place : Mumbai

Date : 20<sup>th</sup> May, 2022



## JAYSYNTH (EUROPE) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

(in £)

	Year ended 31st March, 2022	Year ended 31st March, 2021
<b>A Cash flow from operating activities:</b>		
Net profit before tax and extraordinary items	24,713	77,284
Adjustments for :		
Other Comprehensive Income	(4,197)	(3,617)
Depreciation	191	225
(Profit) / Loss on sale of fixed assets	-	-
(Profit) / Loss on sale of investments	-	-
Dividend Received	-	-
Provision for Diminution of Value of Investment	-	-
<b>Operating profit before working capital changes</b>	<b>20,707</b>	<b>73,892</b>
Inventories	(3,03,760)	(83,904)
Trade receivables	(1,29,925)	(1,80,447)
Other assets	2,516	3,14,238
Trade payables	-29,972	44,550
Other liabilities	2,25,210	1,79,522
<b>Cash generated from operations</b>	<b>(2,15,224)</b>	<b>3,47,851</b>
Interest & finance charges paid (Net)		
Direct taxes	14,039	4,664
<b>Net cash from operating activities</b>	<b>(2,29,263)</b>	<b>3,43,187</b>
<b>B Cash flow from investing activities :</b>		
Purchase of fixed assets	-	-
Sale of fixed assets	-	-
Purchase of investments	-	-
Sale of investments	-	-
Dividend Received	-	-
<b>Net cash Generated in investing activity</b>	<b>-</b>	<b>-</b>
<b>C Cash flow from financing activities :</b>		
Payment of Dividend	-	-
Repayment of Bounce back Loan	(5,834)	-
Increase in amount of bounce back loan		41,667
Payment to redeem entity's shares	-	(5,87,500)
<b>Net cash used in financing activities</b>	<b>(5,834)</b>	<b>(5,45,833)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,35,097)</b>	<b>(2,02,646)</b>
<b>Opening Cash and cash equivalents</b>	<b>2,88,624</b>	<b>4,91,270</b>
<b>Closing Cash and cash equivalents</b>	<b>53,527</b>	<b>2,88,624</b>

As per our Report of even date

For and on behalf of the Board of Directors

FOR AJAY SHOBHA &amp; CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

*Arun Singh*  
(Arun Kumar Singh)

Partner  
Membership No. 113591

Place : Mumbai

Date : 20<sup>th</sup> May, 2022

*Rajesh Pal*

Rajesh Pal  
Director

## JAYSYNTH (EUROPE) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

A Equity Share Capital		(in £)
Particular		Amount
As at 31 <sup>st</sup> March, 2021		11,75,000
Changes in Equity share capital during the year		(5,87,500)
As at 31 <sup>st</sup> March, 2022		5,87,500

B Other Equity			
Particulars	Retained Earning	Other Comprehensive income	Total Other Equity
As at 1 <sup>st</sup> April, 2020	2,75,241	(10,016)	2,65,225
Profit for the year	63,245	-	63,245
Transfer to reserve	-	-	-
Addition /(Deduction) to reserve	-	-	-
Other Comprehensive Income	-	(3,617)	(3,617)
As at 31 <sup>st</sup> March, 2021	3,38,486	(13,633)	3,24,853
Profit for the year	20,462	-	20,462
Transfer to reserve	-	-	-
Addition /(Deduction) to reserve	-	-	-
Other Comprehensive Income	-	(4,197)	(4,197)
As at 31 <sup>st</sup> March, 2022	3,58,948	(17,830)	3,41,118

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 : 20<sup>th</sup> May, 2022



*Rajesh Pal*

Rajesh Pal  
Director



## 2. TANGIBLE FIXED ASSETS

Particulars	Exch. Rate	Plant & Machinery £	Furniture and Fixtures £	Motor Vehicles £	Total £
<b>COST</b>					
As on 1st April, 2021		10,365.00	10,767.00	-	21,132.00
As on 31st March, 2022					-
Disposal				-	-
		10,365.00	10,767.00	-	21,132.00
<b>DEPRECIATION</b>					
As on 1st April, 2020		9,135.00	10,501.00	-	19,636.00
Charge for year		185.00	40.00		225.00
As on 31st March, 2021		9,320.00	10,541.00	-	19,861.00
Charge for year		157.00	34.00		191.00
As on 31st March, 2022		9,477.00	10,575.00	-	20,052.00
<b>NET BOOK VALUE</b>					
As on 31st March, 2022		888.00	192.00	-	1,080.00
As on 31st March, 2021		1,045.00	226.00	-	1,271.00

## JAYSYNTH (EUROPE) LIMITED

Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2022

(in £)

## Note 3 : Inventories

Stock in Trade

As at 31.3.2022 As at 31.3.2021

6,29,306	3,25,546
<b>6,29,306</b>	<b>3,25,546</b>

## Note 4 : Trade Receivable

Trade Debtors

Other Debtors

7,41,447	5,55,173
2,863	59,212
<b>7,44,310</b>	<b>6,14,385</b>

## Note 5 : Bank balances other than cash and cash equivalents above

Cash at Bank

53,527	2,88,624
<b>53,527</b>	<b>2,88,624</b>

## Note 6 : Other current assets

VAT

Prepayments

8,992	12,166
20,241	19,583
<b>29,233</b>	<b>31,749</b>

## Note 8 : Other Equity

Retained Earning

Opening balance

Add : Profit for the year

3,38,486	2,75,241
20,462	63,245
<b>3,58,948</b>	<b>3,38,486</b>

Other Comprehensive Income Reserve

Opening Balance OCI

Addition During the Year

(13,633)	(10,016)
(4,197)	(3,617)
<b>(17,830)</b>	<b>(13,633)</b>
<b>3,41,118</b>	<b>3,24,853</b>

## Note 9 : Borrowings

Current

Bounce Back Loan

10,000	8,333
<b>10,000</b>	<b>8,333</b>

Non-current

Bounce Back Loan

34,166	41,667
<b>34,166</b>	<b>41,667</b>

## Note 10 : Trade Payable

Trade Creditors

Other Creditors

42,245	71,149
-	1,068
<b>42,245</b>	<b>72,217</b>

## Note 11 : Other financial liabilities

Accrued expenses

5,535	4,975
<b>5,535</b>	<b>4,975</b>

## Note 12 : Other current liabilities &amp; Provisions

Other current liabilities

Social Security and other taxes

Other Creditors

3,659	3,487
4,28,982	2,04,504
<b>4,32,641</b>	<b>2,07,991</b>

Provisions

Tax

4,251	14,039
<b>4,251</b>	<b>14,039</b>

## 7. Equity Share Capital

(in £)

Particulars	As at 31.3.2022		As at 31.3.2021	
	Number of Shares	£	Number of Shares	£
<b>AUTHORIZED CAPITAL</b>				
Equity shares of £1/- each	11,75,000	11,75,000	11,75,000	11,75,000
		11,75,000		11,75,000
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>				
Equity shares of £1/- each, fully paid up	5,87,500	5,87,500	5,87,500	5,87,500
<b>Total</b>		<b>5,87,500</b>		<b>5,87,500</b>

### A) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of 31.3.2022

Particulars	Opening balance	Redemption	Closing Balance
Equity shares of £ 1/- each			
Year ended 31.3.2022			
Number of shares	5,87,500		5,87,500
Amount (£)	5,87,500	-	5,87,500
Year ended 31.3.2021			
Number of shares	11,75,000	5,87,500	5,87,500
Amount (£)	11,75,000	-	5,87,500
As at 1.4.2020			
Number of shares	11,75,000		11,75,000
Amount (£)	11,75,000		11,75,000

### B) Rights, Preferences and restrictions attached to Equity Shares

The company has one class of equity shares having a par value of £ 1/- per share. Each shareholder is eligible for one vote per share held. The Dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the assets of the company remaining.

### C) Details of Shares held by each shareholder holding more than 5% Share

Particulars	As at 31.3.2022		As at 31.3.2021	
	Number of Shares	% Holding	Number of Shares	% Holding
Jaysynth Dyestuff (India) Limited	5,87,500	100.00	5,87,500	100.00



**JAYSYNTH (EUROPE) LIMITED**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2022**

(in ₹)

**Note 13 : Revenue from operations**

Sales

As at 31.3.2022	As at 31.3.2021
29,36,742	22,41,402
<b>29,36,742</b>	<b>22,41,402</b>

**Note 14 : Other Income**

(Surplus)/deficit on exchange rates

Local authority Covid19 grant

Employment Allowance

Deposit account interest

Loss on Disposal of fixed assets - Motor Car

-	-
-	10,000
-	-
4	514
-	-
<b>4</b>	<b>10,514</b>

**Note 15 : Changes in inventories of finished goods,work-in-progress and stock-in-trade**

Inventories at the end of the year

Finished Goods

Inventories at the beginning of the year

Finished Goods

6,29,306	3,25,546
3,25,546	2,41,642
<b>(3,03,760)</b>	<b>(83,904)</b>

**Note 16 : Employee Benefit Expenses**

Directors Salaries

Directors Pension

Office salaries

39,250	35,000
938	903
-	1,950
<b>40,188</b>	<b>37,853</b>

**Note 17 : Finance costs**

Bank Charges

Interest Paid - Bank Loan

911	1,241
690	-
<b>1,601</b>	<b>1,241</b>

**Note 18 : Other Expenses**

Clearance & carriage inward

Distribution

Duties

Storage & handling

(Surplus)/deficit on exchange rates

Commissions

Rent & rates

Insurance

Other Misc. Exp.

Telephone Expenses

Post & stationery

Travel & entertaining cost

Profession Expenses

Bad debts

20,858	18,179
29,289	35,169
2,509	9,868
17,048	12,876
3,789	12,917
4,608	8,548
4,224	4,224
17,987	12,862
1,894	5,244
1,744	1,516
2,402	1,962
2,157	2,325
12,750	11,718
-	100
<b>1,21,259</b>	<b>1,37,508</b>

As per our Report of even date

FOR AJAY SHOBHA & CO.

CHARTERED ACCOUNTANTS

(Firm Registration No. 317031E)

*Arun Kumar Singh*  
(Arun Kumar Singh)

Partner

Membership No. 113591

Place : Mumbai

Date : 20<sup>th</sup> May, 2022



For and on behalf of the Board of Directors

*Rajesh Pal*

Rajesh Pal

Director