



INDEPENDENT AUDITOR'S REPORT

To the Members of Jenson & Nicholson (India) Limited

Report on the (Standalone) * Financial Statements

We have audited the accompanying financial statements of Jenson & Nicholson (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

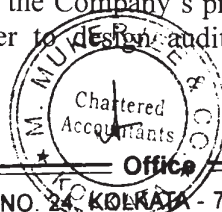
Management's Responsibility for the (Standalone) * Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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 the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 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





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 accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

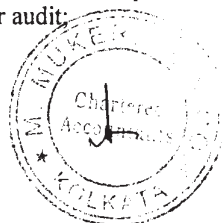
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and 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, 2015, its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The total liability of all the Secured lenders amounting to Rs. 26,323.02 lacs being principal and interest has been settled at a settlement amount of Rs. 3153.13 lacs and the same has been paid to the lenders by an investor M/s Vivid Colors Pvt. Ltd. (Vivid). The security given to secured lenders in fixed assets has also been charged in favour of Vivid with Registrar of Companies after they took the assignment of loan. The company is now at an advance stage of negotiation with Vivid for entering into an agreement inter-alia recording the terms and conditions of assignment of loan and quantifying the amount payable by the company to Vivid in consideration of the assignment.
3. The company has made a reference u/s 15(1) of SICA to BIFR and the same has been registered vide their letter no. B(J-1)/BC/2014 dated March 20, 2015 under case no. 34/2014.
4. The Company has not made any provision in the accounts for additional interest, penal interest, liquidated damages etc. amounting to Rs 739.67 lacs in view of the legal cases filed by various lenders against the Company for recovery of outstanding loan and interest and the same is shown as a contingent liability. The Company has been providing interest against the above loans on a basis as considered by the Management but up to 31st March, 2006. However the Company has stopped providing interest on all loans from banks and financial institutions whether secured or unsecured wef 1st April, 2006 on the ground that these will be declared NPA by them and the same being 141786.65 lacs is included in the contingent liability.
5. **As required by section 143(3) of the Act, we further report that:**
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.






M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014
- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act
- f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

For M. Mukerjee & Company
Chartered Accountants
Firm Registration No 303013E


Spandan Sengupta
Partner
Membership No. 135833
Place: Patna
Date :22.May.2015





Annexure referred to in paragraph 7 Our Report of even date to the members of ABC Company Limited on the accounts of the company for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification; Due to non-payment of debts, Asset Care Reconstruction Enterprises Limited (ACRE) had acquired the possession of SIKANDRABAD PROPERTY situated at Sikandrabad, Plot No. 21 & 22 UPSIDC, Industrial Area, Distt. Bulandshahar, UP in exercise of powers conferred u/s 13(4) of the said Act, on 21st May, 2013, During this year the surplus land situated at Sikandrabad Plot No. 21 has been sold by Asset Care & Reconstruction Enterprises (ACRE) under SARFAESI Act in exercise of the powers conferred u/s 13(4) of the said Act. ACRE thereafter assigned the loan of Canara Bank to M/s Vivid Colors Pvt. Ltd. on 18th November, 2014. After assignment of Canara Bank's Loan by ACRE, the SARFAESI act is automatically withdrawn.
- c) During this year the surplus land situated at Sikandrabad Plot No. 21 has been sold by Asset Care & Reconstruction Enterprises (ACRE) under SARFAESI Act in exercise of the powers conferred u/s 13(4) of the said Act. The profit from sale of surplus land & building situated at Sikandrabad are included in other income. The Sikandrabad land was a surplus land and the sales of assets do not affect the going concern assumption.
- d) During this year the surplus land & Building situated at Gurgaon, Raichak & Karampura have been sold. The profit from sale of surplus land & building are included in other income. The sales of assets do not affect the going concern assumption.
- ii. a) The inventory has been physically verified during the period by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noted on verification between the physical stock and the books were not material and have been properly dealt with in the books of account.
- iii. The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.





- vi. We have broadly reviewed the cost records maintained by the Company as prescribed by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and based on the records of the company examined by us, the company is not regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India. The arrear as on 31st March 2015 on the aforesaid dues were as below:

1	Provident Fund	71.82
2	Income Tax	28.67
3	Sales Tax	173.57
4	Customs Duty	73.67
5	Excise Duty	253.13
6	Professional Tax	3.50
7	ESI	14.87

- b) According to the information and explanations given to us and based on the records of the company examined by us, there are dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.

We give below details of such disputed amount:-

Statement of disputed dues

Name of the Statute	Nature of dues	Amount- ₹in lacs	Period	Forum where the dispute is pending
Central Sales Tax Act	Sales Tax	0.62	1985-1986	High Court at Delhi
		1.14	1986-1987	High Court at Delhi
		4.12	1987-1988	High Court at Delhi
		1.61	1996-1997	Deputy Commissioner of Sales Tax
		0.79	1997-1998	Deputy Commissioner of Sales Tax
		0.88	1999-2000	Deputy Commissioner of Commercial Taxes
		6.57	2003-2004	Commercial Tax Tribunal
		25.51	2004-2005	Commercial Tax Tribunal
		21.60	2007-2008	Additional Commissioner (Appeals)
		2.86	2007-2008	Additional Commissioner (Appeals)
8.56	2009-2010	Additional Commissioner (Appeals)		
1.25	2010-2011	Additional Commissioner (Appeals)		





State Sales Tax Acts	Sales Tax	8.37 9.16 2.85 8.47 2.19 9.14 3.59 4.93 7.91 0.80 0.80 2.69 0.51 0.72	1985-1986 1986-1987 1986-1987 1987-1988 1996-1997 1997-1998 1999-2000 2000-2001 2001-2002 2007-2008 2007-2008 2007-2008 2008-2009 2008-2009	High Court at Delhi High Court at Delhi Commercial taxes ,Tribunal High Court at Delhi Deputy Commissioner of Sales Tax Deputy Commissioner of Sales Tax Deputy Commissioner of Commercial Taxes Joint Commissioner of Commercial Taxes Commercial taxes ,Tribunal Additional Commissioner (Appeal) Commercial taxes ,Tribunal Addl. Commissioner of Commercial Taxes
Panvel Octroi	Octroi Assessed	71.91		Government of Maharashtra
Central Excise Act,1944	Excise Duty	601.71		Excise Authority
Income Tax Act,1961	Income Tax	38.54 0.75	1998-1999 2007-2008	High Court at Kolkata Commissioner of Income Tax (Appeals)
Custom Duty	Custom Duty	303.84		Custom Authority

(c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund.

viii. In our opinion, the accumulated losses of the Company exceeded more than fifty percent of its net worth. The Company has incurred cash losses during the year covered by our audit and in the immediately preceding financial year.

ix. The company had defaulted in repayment of dues to financial institution, banks and debenture holders. We give below a statement showing period and amount involved.

	Parties	Amount ₹ in lacs	Period from
a)	Secured Debentures	4287.13	2000-07
b)	Term loans / Cash Credit / Working Capital Loans from Banks / Financial Institutions	5529.64	2000-07

By virtue of Assignment of Debts, all the secured loans from banks, financial institutions & debenture holders have been settled by M/s Vivid Colors Pvt Ltd . The security given to secured lenders in fixed assets has also been charged in favour of M/s Vivid Colors Pvt Ltd, with the Registrar of Companies after they took the assignment of loan. Now the company has only one secured lender which is M/s Vivid Colors Pvt ltd and no bank and financial institutions are lenders of the company.





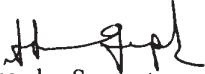
M. Mukerjee & Co.

CHARTERED ACCOUNTANTS

Continuation Sheet

- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year. The company had given irrevocable guarantees for loans taken by others from the banks or financial institutions and a liability including interest of ₹21552.50 lacs (previous year ₹18150.30 lacs) has been claimed which the company has not acknowledged as debt on the ground that the company was taken over by a buyer but the liability on this account has also been shown in Contingent Liability.
- xi. In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- xii. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management

For M Mukerjee & Company
Chartered Accountants
Firm Registration No303013E


Spandan Sengupta
Partner
Membership No. 135833
Place: Patna
Date: 22-May-2015

